NOTICE OF 25TH ANNUAL GENERAL MEETING

OF MEMBERS OF

SAIJA FINANCE PRIVATE LIMITED

TO BE HELD ON

FRIDAY, SEPTEMBER 30, 2022

AT 5:30 P.M.

THROUGH VIDEO CONFERENCING

SAIJA
Empowering through Microfinance

INDEX

Sr. No.	Particular	Pdf Page No.
1.	Notice of 25th Annual General Meeting	3-11
2.	Financial Statements for FY 2021-22 with Auditors Report thereon	12-83
3.	Board of Directors Report for FY 2021-22	84-112
4.	Secretarial Auditors Report for FY 2021-22	113-116

SAIJA
Empowering through Microfinance
CIN-U65929DL1997PTC089892

NOTICE OF ANNUAL GENERAL MEETING

To,

All the Shareholders / Members

All the Directors

The Auditors

The Debenture Trustees

NOTICE is hereby given that the 25th Annual General Meeting of the Shareholders of the Company will be held on **Friday, September 30, 2022 at 5:30 P.M.** at the registered office of the Company through Video Conferencing to transact the following business:

ORDINARY BUSINESS:

To consider and if thought fit to pass the following resolutions with or without modification(s) as Ordinary resolution:

AGENDA ITEM 01:

To consider and adopt Audited Financial Statements of the Company for the financial year ended 31st March, 2022 along with the Report from the Auditors, report of Board of Directors and Secretarial Audit Report:

To consider and if thought fit, to pass the following resolution, with or without modifications, if any, as ordinary resolution:

"RESOLVED THAT the Audited Balance Sheet and Profit & Loss Account of the Company and the schedules and notes forming part of the said Accounts / Financial Statement, for the financial year ended 31st March 2022, along with the Reports from Statutory Auditor's, Report from Secretarial Auditor and Report of the Board of Directors of the company as circulated to the members, be and is hereby received, considered, approved and adopted."

AGENDA ITEM 02:

Appointment of Statutory Auditors of the company

To consider and if thought fit, to pass the following resolution, with or without modifications, if any, as an ordinary resolution:

"RESOLVED THAT pursuant to provisions of Section 139(8) and other applicable provisions if any of the Companies Act, 2013, as amended from time to time or any other law for the time being in force, (including any statutory modification(s) or amendment thereto or reenactment thereof), and pursuant to recommendation by the Board of Directors, **M/s SR Dinodia & Co. LLP**, Chartered Accountants, (FRN/Membership No: 001478N/N500005), be and are/is hereby appointed as Statutory Auditors of the Company for the period of next two consecutive years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held on 2024i.e. for financial year **2022-23 to financial year 2023-24** "

"RESOLVED FURTHER THAT M/s SR Dinodia & Co. LLP, Chartered Accountants, (FRN/Membership No: 001478N/N500005), shall be paid a remuneration as may be fixed by the Audit Committee and/or Board of Directors of the company in addition to the re-imbursement of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit and billed progressively.

"RESOLVED FURTHER THAT any of the directors or the Company Secretary be and is hereby authorised to do all such acts, deeds and things as may be necessary to give effect to the said resolution and file Form ADT-1 for appointment of **M/s SR Dinodia & Co. LLP**, Chartered Accountants, (FRN/Membership No: 001478N/N500005) with the Registrar of Companies."

SPECIAL BUSINESS:

AGENDA ITEM 03:

To regularize the appointment of **Mr. Samir Amrit Shah** as a Non- Executive Nominee Director

Members are hereby informed that the Board had recommended his appointment to be regularized as a non executive nominee director of the company.

Members are requested to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution-

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and 160 and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 including any statutory modifications or re-enactment thereof for the time being in force, **Mr. Samir Amrit Shah (DIN: 00912693),** who was appointed as an additional director of the company w.e.f. **October 27, 2021** by the Board of Directors pursuant to section 161 of the Act and as recommended by Nomination & Remuneration Committee and who holds office upto the ensuring Annual General Meeting, be and is hereby appointed as a non-executive nominee director of the company after due assessment of his eligibility based on the criteria as provided under the Companies Act, 2013 and the Reserve Bank of India Regulations. "

RESOLVED FURTHER THAT Any of the directors or Mrs. Deepika Bhatt, Company Secretary

be and is hereby severally and jointly authorized to intimate the concerned authorities about his appointment and do such other acts, deeds and things as required to give effect to the above resolution including the filing of form DIR-12 to the concerned RoC.

AGENDA ITEM 04:

To regularize the appointment of Mr. **Vijayaraghavan Venkatesan as a** Non- Executive Nominee Director

Members are hereby informed that the Board had recommended his appointment to be regularized as a non executive nominee director of the company.

Members are requested to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution-

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and 160 and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 including any statutory modifications or re-enactment thereof for the time being in force, **Mr. Vijayaraghavan Venkatesan (DIN:** 02542069**),** who was appointed as an additional director of the company w.e.f. **June 27, 2022** by the Board of Directors pursuant to section 161 of the Act and as recommended by Nomination & Remuneration Committee and who holds office upto the ensuring Annual General Meeting, be and is hereby appointed as a non-executive nominee director of the company after due assessment of his eligibility based on the criteria as provided under the Companies Act, 2013 and the Reserve Bank of India Regulations. "

RESOLVED FURTHER THAT Any of the directors or Mrs. Deepika Bhatt, Company Secretary be and is hereby severally and jointly authorized to intimate the concerned authorities about his appointment and do such other acts, deeds and things as required to give effect to the above resolution including the filing of form DIR-12 to the concerned RoC.

AGENDA ITEM 05:

To regularize the appointment of **Mr. Swaminathan Viswanathan as a** Non- Executive Nominee Director

Members are hereby informed that the Board had recommended his appointment to be regularized as a non executive nominee director of the company.

Members are requested to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution-

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and 160 and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 including any statutory modifications or re-enactment thereof for the time being in force, **Mr. Swaminathan Viswanathan (DIN:** 07851684**),** who was appointed as an additional director

of the company w.e.f. **May 03, 2022** by the Board of Directors pursuant to section 161 of the Act and as recommended by Nomination & Remuneration Committee and who holds office upto the ensuring Annual General Meeting, be and is hereby appointed as a non-executive nominee director of the company after due assessment of his eligibility based on the criteria as provided under the Companies Act, 2013 and the Reserve Bank of India Regulations. "

RESOLVED FURTHER THAT Any of the directors or Mrs. Deepika Bhatt, Company Secretary be and is hereby severally and jointly authorized to intimate the concerned authorities about his appointment and do such other acts, deeds and things as required to give effect to the above resolution including the filing of form DIR-12 to the concerned RoC.

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting. The proxy form is enclosed herewith the Notice.

2. Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.

3. Members/Proxies attending the meeting are requested to bring the Attendance Slip (duly completed) to the Meeting.

4. Register of Directors' Shareholding will remain open during the continuation of meeting for inspection by Members.

5. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto and forms part of notice.

Date: 06.09.2022
Place: Delhi

For and on behalf of the Board of Directors
Saija Finance Private Limited

Sd/-
(Samir Amrit Shah)
Chairman and Non-Executive Director

Registered office:
F-128, 3rd Floor, Mohammadpur,
Behind Bhikaji Cama Place, New Delhi-110066

SAIJA
Empowering through Microfinance
CIN-U65929DL1997PTC089892

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT TO BE ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013-

AGENDA ITEM 02:

The members of the Company via their meeting on 31st January, 2022, appointed M/s. **SR Dinodia & Co. LLP**, Chartered Accountants, (Firm Registration No. 001478N/N500005), as the Statutory Auditors of the Company for F.Y. 2021-22 to fill the casual vacancy caused by the resignation of M/s. **B S R & ASSOCIATES LLP** , Chartered Accountants.

M/s. **SR Dinodia & Co. LLP**, Chartered Accountants (Firm Registration No. 001478N/N500005) have conveyed their eligibility and consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

The tenure of the auditors is concluding at the conclusion of this Annual General Meeting, hence this resolution.

Further, as per RBI regulations the Auditors can be appointed for a total period of three years, as the auditors already were appointed for FY 2021-22 and now their appointment is being proposed for the next two years for the FY 2022-23 and 2023-24.

Accordingly, Ordinary Resolution is submitted to the meeting for the consideration and approval of members.

None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

AGENDA ITEM 03:

Mr. Samir Amrit Shah was appointed as additional director by the Board of Directors on 27th October 2021 subject to approval of the Shareholders. The company has received his consent for the appointment along with a declaration that he is not disqualified to be appointed as a director. In the opinion of the Board of Directors, he possesses the requisite integrity, expertise and experience and fulfils the criteria as specified in the Companies Act and the RBI regulations. The Board of Directors recommends the above resolution for approval.

None of the Directors, Managers, Secretaries or any Key Managerial Personnel or their relatives are interested in the above resolution except in the capacity of shareholders.

AGENDA ITEM 04:

Mr. Vijayaraghavan Venkatesan was appointed as additional director by the Board of Directors on 27th June 2022 subject to approval of the Shareholders. The company has received his consent for the appointment along with a declaration that he is not disqualified to be appointed as a director. In the opinion of the Board of Directors, he possesses the requisite integrity, expertise and experience and fulfils the criteria as specified in the Companies Act and the RBI

regulations. The Board of Directors recommends the above resolution for approval.

None of the Directors, Managers, Secretaries or any Key Managerial Personnel or their relatives are interested in the above resolution except in the capacity of shareholders.

AGENDA ITEM 05:

Mr. Swaminathan Viswanathan was appointed as additional director by the Board of Directors on 3rd May 2022 subject to approval of the Shareholders. The company has received his consent for the appointment along with a declaration that he is not disqualified to be appointed as a director. In the opinion of the Board of Directors, he possesses the requisite integrity, expertise and experience and fulfils the criteria as specified in the Companies Act and the RBI regulations. The Board of Directors recommends the above resolution for approval.

None of the Directors, Managers, Secretaries or any Key Managerial Personnel or their relatives are interested in the above resolution except in the capacity of shareholders.

Date: 06.09.2022
Place: Delhi

For and on behalf of the Board of Directors
Saija Finance Private Limited

Sd/-
(Samir Amrit Shah)
Chairman and Non-Executive Director

Registered office:
F-128, 3rd Floor, Mohammadpur,
Behind Bhikaji Cama Place, New Delhi-110066

Route Map:

SAIJA FINANCE PRIVATE LIMITED
(A Non-Banking Financial Company)
Registered Office :- F-128, 3rd Floor, Mohammadpur, R.K. Puram, New Delhi-110066, India
Ph. : +011-425 80045, Email : info@saija.in, Website : www.saija.in

SAIJA
Empowering through Microfinance
CIN-U65929DL1997PTC089892

Form No. MGT-11
Proxy form

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

Name of the company	Saija Finance Private Limited
Registered Office	F-128, 3rd Floor, Mohammadpur R K Puram, New Delhi-110066

Name of the Member(s)	
Registered Office	
E-mail Id	
Folio No /Client ID	
DP ID	

I/We , being the member(s) of _____shares of the above named company. Hereby appoint

Name :	
Address:	
E-mail Id:	
Signature , or failing him	

Name :	
Address:	
E-mail Id:	
Signature , or failing him	
Name :	
Address:	
E-mail Id:	
Signature , or failing him	

as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on ----------, at the registered office of the Company at F-128, 3rd Floor, Mohammadpur, Behind Bhikaji Cama Place, New Delhi- 110066 through video conferencing and at any adjournment thereof in respect of such resolutions as are indicated below:
Resolution No.

1._____
2._____
Signed this _____, 2022

Signature of Shareholder

Affix Revenue Stamps

SAIJA
Empowering through Microfinance
CIN-U65929DL1997PTC089892

ATTENDANCE SLIP

SAIJA FINANCE PRIVATE LIMITED

Registered Office: F-128, 3rd Floor, Mohammadpur, R K Puram, New Delhi-110066

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING.

(Name in Block Letters)…… Folio No ……
No. of Shares held ……
I hereby record that my presence at the Annual General Meeting of the Company held on ----- the ------- day of ----------, 2022 at -------- P.M at the registered office of the Company at F-128, 3rd Floor, Mohammadpur, Behind Bhikaji Cama Place, New Delhi- 110066.
Signature of the Shareholders or Proxy ……

S.R. DINODIA & Co. LLP
CHARTERED ACCOUNTANTS
K-39 Connaught Place, New Delhi-110001 INDIA
Ph. : +91-(0)11-4370 3300 Fax : +91-(0)11-4151 3666

Independent Auditor's Report

To The Members of Saija Finance Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Saija Finance Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the Loss (financial performance including other comprehensive income), changes in equity 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) 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 (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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report w.r.t the Company:

S. No.	Key Audit Matters	How our audit addressed the key audit matter
1.	**Computation of impairment losses on loan assets (Refer note no 2(G), 6 and 29 of the accompanying financial statements for related disclosures)** As at March 31, 2022, the Company has reported total gross loan assets of ₹ 8317.21 lakh (March 2021: ₹ 21033.06 lakh) against which an impairment loss of ₹ 928.72 lakh (March 2021: ₹ 3670.26 lakh) has been recorded. The calculation of impairment losses on loans is complex and is based on application of significant management judgement and the use of different modelling techniques and assumptions, which have a material impact	Our audit focused on assessing the appropriateness of Management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Evaluated the Company's accounting policies for estimation of expected credit loss on loans in accordance with Ind AS 109, Financial Instruments. • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of

S. No.	Key Audit Matters	How our audit addressed the key audit matter
	on reported profits. The Company has applied a three stage approach based on changes in credit quality to measure expected credit loss on loans which is as follows: • If the loan is not credit-impaired on initial recognition, then it is classified in 'Stage 1' and its credit risk is continuously monitored by the Company i.e. the default in repayment is within the range of 0 to 30 days. • If a significant increase in credit risk since initial recognition is identified, it is moved to 'Stage 2' but is not yet deemed to be credit-impaired i.e. the default in repayment is within the range of 31 to 90 days. • If the loan is credit-impaired, it is then moved to 'Stage 3' i.e. the default in repayment is more than 90 days. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgement and assumptions involved in measuring ECL requires: • determining the criteria for a significant increase in credit risk, • factoring in future economic assumptions, • techniques used to determine probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed statistical models, other historical data and macro-economic factors.	the recent impairment losses incurred within the portfolios. • Assessed and tested the design and operating effectiveness of key manual and automated controls over completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Also, evaluated the controls over the modelling process, validation of data and related approvals. • Tested the assumptions underlying the impairment identification and quantification including the forecast of future cash flows by corroborating it with the agreed repayment schedules of the borrowers. • Evaluated the appropriateness of the determination of significant increase in credit risk and the basis for classification of various exposures into various stages by the management in accordance with the relevant accounting standards. For a sample of exposures, we also tested the appropriateness of the Company's categorization across various stages by evaluating management's assessment of parameters such as probability of default (PD) or loss given default (LGD), including the adjustments made to such estimates on account of COVID-19 impact. Our procedures as mentioned above did not identify any findings that are significant for the financial statements as whole in respect of computation of impairment losses on loan assets.
2.	**IT systems and controls** The company's key financial accounting and reporting processes are dependent on the automated controls in information system, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses Omni IT application for managing its loan transactions and also for overall financial reporting. We have identified 'IT systems and controls 'as key audit matter because of the high level automation, the complexity of the IT architecture and the risks associated with remote access of key applications at the year end.	Our audit focused through procedures that included, but were not limited to, the following: Understanding: • General IT control (GITC) i.e. Access Controls, Program/ System change, Program Development, Computer Operations (i.e. Job Processing, Data/System Backup) over key financial accounting and reporting systems, and supporting control systems (referred to as in-scope systems); • IT application controls covering: i. User access and roles, segregation of duties; ii. key interfaces, reports, reconciliations and iii. System processing.

S. No.	Key Audit Matters	How our audit addressed the key audit matter
		• IT infrastructure i.e. operating systems and databases supporting the in-scope systems; Testing: • The general IT controls for design and operating effectiveness for the audit period over the in-scope systems. • The controls to determine whether these controls remained unchanged during the audit period or were changed following the standard change management process. • The controls over the IT infrastructure covering user access (including privilege users) and system change (e.g. patches). And • The controls over the IT infrastructure covering user access (including privilege users) and system change (e.g. patches). Our procedures as mentioned above did not identify any findings that are significant for the financial statements as whole in respect of loan balances derived from IT systems.

Other Matters

The Financial Statements of the Company for the year ended March 31, 2021 have been audited by the predecessor auditor who have expressed an unmodified opinion dated June 30, 2021 on such financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual 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 the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibility of Management and Those Charged with Governance 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

In preparing the financial statements, the Board of Directors 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 Board of Directors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

2. As required by Section 143(3) of the Act, based on our audit we report that:

I. 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.

II. 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.

III. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

IV. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

V. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

VI. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".**

VII. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 36 to the financial statements.

(b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March, 2022 and

(d)

(i). The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 53 to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii). The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 54 to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii). Based on such audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) & (ii) above, contain any material misstatement.

(e) During the year, the Company has not declared or paid any dividend.

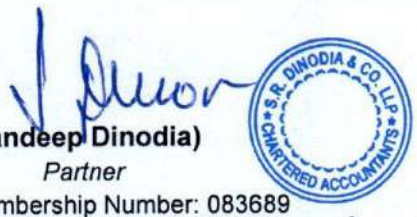
S. R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

3. With respect to the matter to be included in the Auditors' report under Section 197(16):

   In our opinion and according to the information and explanation given to us, the Company has paid remuneration to its directors during the year is in accordance with the provisions of and limit laid down under section 197 read with Schedule V of the Act.

4. The Capital-to-Risk weighted Assets Ratio (CRAR) of the Company as on March 31, 2022 is 13.03% against required CRAR of 15% as prescribed by the RBI Master Circular dated April 20, 2016.

For S.R Dinodia & Co. LLP
Chartered Accountants,
Firm Registration Number: 001478N/N500005



(Sandeep Dinodia)
Partner
Membership Number: 083689
UDIN: 22083689AMRZZV7307

Place of Signature: New Delhi
Date: 26 MAY 2022

Annexure 'A' to the Independent Auditors' Report of even date on the financial statements of Saija Finance Private Limited for the year ended March 31, 2022

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2022, we report that:

i) In respect of Property, Plant and Equipment:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of Intangible assets.

b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanation given to us and the records examined by us, the Company does not owned any immovable property. Accordingly, the provisions of clause 3(i)(c) of the order are not applicable.

d) According to the information and explanations given to us and the records examined by us, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.

e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable.

ii)

a) According to the information and explanations given to us, the Company does not have any physical inventory. Accordingly, the provisions of clause 3(ii)(a) of the Order are not applicable.

b) According to the information and explanations given to us and the records examined by us, the Company has not been sanctioned working capital limits during the year in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) (b) of the Order are not applicable.

iii) According to the information and explanations given to us and based on the audit procedures performed by us, during the year, the Company has neither made any investment nor provided any guarantee to companies, firms and limited liability partnerships (LLP's). However, during an earlier year, the Company had granted an interest free loan, amounting to ₹ 68,092,000 to Saija Management and Employee Welfare Trust ('Saija Trust'), a party covered in the register maintained under Section 189 of the Act. The maximum amount outstanding during the year and year-end balance was ₹ 68,092,000.

a) The Company is a Non-Banking Financial Company (NBFC). Its principle business is to grant loans. Accordingly, the provision of clause 3(iii)(a) of the Order are not applicable.

b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the security given and the terms and conditions of the grant of all loans and advances in nature of loans and guarantees provided are not prejudicial to the Company's interest.

c) According to the information and explanations given to us and based on the audit procedures performed by us, the schedule of repayment of principal and payment of interest has been stipulated and repayments/receipts of the principal amount and the interest are regular, except for following wherein the repayment(s)/receipt(s) of the principal amount and the interest are not regular;

(Amount in ₹)

No. of cases	Principle Amount Overdue	Interest Overdue	Total Overdue
12887	681.13	75.39	756.52

d) According to the information and explanations given to us and based on the audit procedures performed by us, the total amount which is overdue for more than 90 days in respect of loans and advances in the nature of loans granted is as follows-

(Amount in ₹)

No. of cases	Principle Amount Overdue	Interest Overdue	Total Overdue
7247	539.04	63.58	602.62

e) The Company is a NBFC & its principle business is to grant loans. Accordingly, the provision of clause 3(iii)(e) is not applicable.

f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except loan to Saija Trust as explained in clause(iii) above.

iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 of the Act.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and had no unclaimed deposits at the beginning of the year 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.

vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014 dated December 31, 2014 (as amended from time to time) to the current operations carried out by the Company. Accordingly, the provisions of clause 3(vi) Order are not applicable.

vii) In respect to statutory dues:

a) The Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, cess and any other material statutory dues applicable to it with the appropriate authorities. Further there were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues in respect of statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities *except the following,* which have not been deposited on account of dispute:

Name of the Statute	Nature of Dues	Amount (₹ in Lakh)	Period to which amount relates (A.Y.)	Forum where dispute is pending
The Finance Act, 1994	Service Tax	152.48	FY 2014-15 to 2016-17	Central Tax, Audit Patna
Income Tax Act,1961	Income Tax	7.62	AY 2013-14	Income Tax Tribunal Authority
Income Tax Act,1961	Income Tax	25.52	AY 2017-18	Commissioner (Appeals), Delhi

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

viii) According to the information and explanations given to us and the records examined by us, there are no unrecorded transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

ix) In respect of loans or other borrowings taken by the Company, according to the information and explanations given to us and audit procedures performed by us:

a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
c) The Company has applied the amount of term loan for the purpose for which the loans were obtained.
d) No funds raised on short-term basis have been used for long-term purposes by the Company.
e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3(ix)(e) of the Order are not applicable.
f) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3(ix)(f) of the Order are not applicable.

x) In respect of moneys raised by the Company through issue of shares & debt instruments:

a) During the year, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.
b) In our opinion and according to the information and explanations given to us, the Company has utilized funds raised by way of private placement of compulsory convertible preference shares for the purposes for which they were raised.

xi)

a) As per the information and explanations given to us on our enquiries on this behalf, no fraud of material significance on or by the Company has been noticed or reported during the year except as explained in details in Note No. 48 of the financial statement regarding employee frauds/cash embezzlement by employees including instances of employees absconding post collection of repayment dues from customers at certain branches, amounting to ₹ 30.34 lakh, of which ₹ 5.83 lakh have been recovered subsequently.
b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed during the year and upto the date of this report in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

xii) The Company is not a Nidhi company. Accordingly, provisions of clause 3(xii)(a) to (c) of the Order are not applicable.

xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3(xv) of the Order are not applicable.

xvi) In respect of registration with Reserve Bank of India, according to the information and explanations given to us and audit procedures performed by us

a) The Company was required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.
b) The Company is holding a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3 (xvi) (c) of the order are not applicable.
d) The Group doesn't have CIC as part of the Group. Accordingly, provisions of clause 3 (xvi) (d) of the order are not applicable.

xvii) According to the information and explanations given to us, the Company has incurred cash losses of ₹ 5428.94 lakh in the current financial year and ₹ 839.01 lakh in the immediately preceding financial year.

xviii) There has been resignation of the statutory auditors during the year and we have been informed that there were no unaddressed objections or concerns of the outgoing auditors.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) The Company is not required to spent any expenditure by way of corporate social responsibilities u/s 135 of the Companies Act, 2013. Accordingly the provisions of the clause 3 (xx) (a) & (b) of the order are not applicable to the Company

For S.R Dinodia & Co. LLP
Chartered Accountants,
Firm's Registration Number N500005

(Sandeep Dinodia)
Partner
Membership Number
UDIN: 22083689AMRZZV7307

Place of Signature: New Delhi
Date: May 26, 2022

Annexure 'B' to the Independent Auditors' Report of even date on the Financial Statements of Saija Finance 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 Saija Finance Private Limited **("the Company")** as of March 31, 2022 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 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 system 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 with reference to 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 system 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 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 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, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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.

For S.R. Dinodia & Co. LLP.
Chartered Accountants,
Firm Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership Number 083689
UDIN : 22083689AMR22V7307

Place of Signature: New Delhi
Date: 26 MAY 2022

Saija Finance Private Limited

Balance Sheet as at 31 March 2022

(All amount is Rupees lakh unless otherwise stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial assets			
Cash and cash equivalents	3	1564.32	1635.18
Bank balance other than cash and cash equivalents	4	1075.63	771.27
Trade receivables	5	36.39	3.82
Loans	6	7388.49	17362.81
Investments	7	451.80	-
Other financial assets	8	557.24	770.92
Total financials assets		**11073.87**	**20544.00**
Non-financial assets			
Current tax assets (net)	9	57.43	114.01
Deferred tax assets (net)	10	442.55	442.55
Property, plant and equipment	11	56.43	53.30
Right-of-use assets	12	102.97	170.91
Intangible assets	13	48.30	29.22
Other non-financial assets	14	162.32	171.12
Total non-financials assets		**870.00**	**981.11**
Total assets		**11943.87**	**21525.11**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables	15		
(i) total outstanding dues of micro enterprises and small enterprises; and		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		164.04	134.47
Debt securities	16	1329.12	2666.67
Borrowings (other than Debt securities)	17	5466.80	11475.81
Subordinated liabilities	18	3000.00	3000.00
Lease liabilities	12	123.58	174.23
Other financial liabilities	19	455.26	600.82
Total financial liabilities		**10538.80**	**18052.00**
Non-financial liabilities			
Provisions	20	91.45	82.21
Other non-financial liabilities	21	34.28	27.62
Total non-financial liabilities		**125.73**	**109.83**
EQUITY			
Equity share capital	22	6189.60	5546.45
Other equity	23	(4910.26)	(2183.17)
Total equity		**1279.34**	**3363.28**
Total Liabilities and Equity		**11943.87**	**21525.11**

Summary of Significant Accounting Policies 2

The accompanying notes are integral part of the financial statements.

As per our report of even date attached

For **S.R. Dinodia & Co. LLP.**
Chartered Accountants
Firm Registration Number: 001478N / N -500005

(Sandeep Dinodia)
Partner
Membership No.: 083689

Place of Signature : New Delhi
Date : 26 May 2022

***For* and on behalf of the Board of Directors of**
Saija Finance Private Limited

(S.R.Sinha)
Chairman cum Managing Director
DIN No.: 00917884
Place : New Delhi
Date : 26 May 2022

(Abhishek Agrawal)
Director
DIN No.: 06760344
Place : Mumbai
Date : 26 May 2022

(Deepika)
Company Secretary
M. No.: FCS-11027
Place : New Delhi
Date : 26 May 2022

(Nilamani Mohanty)
Manager- F&A
PAN: AGEPN4298D
Place : New Delhi
Date : 26 May 2022

Saija Finance Private Limited

Statement of Profit and Loss for the year ended 31 March 2022

(All amount is Rupees lakh unless otherwise stated)

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations			
Interest income	24	1831.20	5861.10
Fee and Commission Income	25	38.84	4.92
Net gain on fair value changes	26	1.25	0.00
Profit on sale of investments		13.45	16.28
Total revenue from operations (I)		**1884.74**	**5882.30**
Other income (II)	27	34.50	121.88
Total income (III)=(I+II)		**1919.24**	**6004.18**
Expenses			
Finance Costs	28	1782.35	3059.12
Impairment of loans	29	139.40	3338.37
Employee benefits expenses	30	1650.88	1688.51
Depreciation and amortization	31	123.66	171.33
Other expenses	32	1028.23	990.37
Total expenses (IV)		**4724.52**	**9247.70**
Profit before tax (V)=(III-IV)		**(2805.28)**	**(3243.52)**
Tax expense: (VI)			
(1) Current tax		0.00	0.00
(2) Deferred tax charge/ (credit)		0.00	0.00
(3) Tax for earlier years		3.74	6.97
Profit for the year (VII)=(V-VI)		**(2809.02)**	**(3250.49)**
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement gains/ (loss) on defined benefit plans		10.50	(22.83)
Income tax impact thereon		0.00	0.00
Other comprehensive income for the year, net of tax (VIII)		**10.50**	**(22.83)**
Total comprehensive income for the year, net of tax (VII+VIII)		**(2798.52)**	**(3273.32)**
Earnings per equity share	33		
Basic (Rs.)		(5.06)	(5.86)
Diluted (Rs.)		(5.06)	(5.86)
Summary of Significant Accounting Policies	2		

The accompanying notes are integral part of the financial statements.

As per our report of even date attached

For **S.R. Dinodia & Co. LLP.**
Chartered Accountants
Firm Registration Number: 001478N / N -500005

(Sandeep Dinodia)
Partner
Membership No.: 083689

For **and on behalf of the Board of Directors of**
Saija Finance Private Limited

(S.R.Sinha)
Chairman cum Managing Director
DIN No.: 00917884
Place : New Delhi
Date : 26 May 2022

(Abhishek Agrawal)
Director
DIN No.: 06760344
Place : Mumbai
Date : 26 May 2022

(Deepika)
Company Secretary
M. No.: FCS-11027
Place : New Delhi
Date : 26 May 2022

(Nilamani Mohanty)
Manager- F&A
PAN: AGEPN4298D
Place : New Delhi
Date : 26 May 2022

Place of Signature: New Delhi
Date : 26 May 2022

Saija Finance Private Limited

Statement of Profit and Loss for the year ended 31 March 2022

(All amount is Rupees lakh unless otherwise stated)

Equity Share Capital

Particulars	No. of shares*	Amount
Equity shares of INR 10 each, issued, subscribed and fully paid up		
Equity shares- Class A shares of Rs. 10 each	**61,334,482**	**6,133.45**
Less: Equity shares issued to Saija Management and Employee Welfare Trusl (Refer to note 22(k) below)	(5,870,000)	(587.00)
As at 1 April 2020	**55,464,482**	**5,546.45**
Issued during the year	-	-
As at 31 March 2021	**55,464,482**	**5,546.45**
Issued during the year	100	0.01
As at 31 March 2022	**55,464,582**	**5,546.46**

* Number of Shares are in absolute numbers

Other Equity

	Reserves and Surplus					Total
	Statutory reserve	Capital reserve	Securities premium	Revolving fund	Retained earnings	
Balance as at 1 April 2020	**483.94**	**0.16**	**180.62**	**1.20**	**424.23**	**1,090.15**
Profit for the year, net of taxes	-	-	-	-	(3,250.49)	(3,250.49)
Other comprehensive income for the year, net of taxes	-	-	-	-	(22.83)	(22.83)
Balance as at 31 March 2021	**483.94**	**0.16**	**180.62**	**1.20**	**(2,849.09)**	**(2,183.17)**
Net Addition/(utilisation) during the year			71.43			71.43
Profit for the year, net of taxes	-	-	-	-	(2,809.02)	(2,809.02)
Other comprehensive income for the year, net of taxes	-	-	-	-	10.50	10.50
Balance as at 31 March 2022	**483.94**	**0.16**	**252.05**	**1.20**	**(5,647.61)**	**-4,910.26**

Significant accounting policies 2

The accompanying notes are integral part of the financial statements.

As per our report of even date attached
For **S.R. Dinodia & Co. LLP.**
Chartered Accountants
Firm Registration Number: 001478N / N -500005

(Sandeep Dinodia)
Partner
Membership No.: 083689

Place of Signature : New Delhi
Date : 26 May 2022

For **and on behalf of the Board of Directors of**
Saija Finance Private Limited

(S.R.Sinha)
Chairman cum Managing Director
DIN No.: 00917884
Place : New Delhi
Date : 26 May 2022

(Abhishek Agrawal)
Director
DIN No.: 06760344
Place : Mumbai
Date : 26 May 2022

(Deepika)
Company Secretary
M. No.: FCS-11027
Place : New Delhi
Date : 26 May 2022

(Nilamani Mohanty)
Manager- F&A
PAN: AGEPN4298D
Place : New Delhi
Date : 26 May 2022

Saija Finance Private Limited

Statement of Cash flow for the year ended 31 March 2022

(All amount is Rupees lakh unless otherwise stated)

	For the period ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities:		
Profit before tax	**(2805.28)**	**(3243.52)**
Adjustments:		
Depreciation and amortisaiton	123.66	171.33
Profit on sale of investments	(13.45)	(16.28)
Gain on derecognition of right-of-use assets	(3.10)	(46.37)
Impairment of loans	(2741.54)	3338.37
Financial assets written-off	3185.52	38.32
Adjustments towards EIR of borrowings	85.39	(58.08)
Interest accretion on lease liabilities	60.73	43.96
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	(0.79)	1.62
Net gain/(loss) on fair value changes	(1.25)	(1.21)
Provision for insurance recoverable and recoverable from ex-employees	20.22	140.18
Operating cash flow before working capital changes	**(2089.89)**	**368.32**
(Increase)/ decrease in loans	9530.34	7077.90
(Increase)/ decrease in bank balance other than cash and cash	(304.36)	(95.73)
Decrease in trade receivables	(32.57)	32.92
(Increase)/ decrease in other financial assets	225.05	175.36
(Increase)/ decrease in other non-financial assets	20.55	(3.68)
(Decrease) in trade payables	29.57	46.84
Increase/ (decrease) in other financial liabilities	(145.56)	(470.36)
Increase/ (decrease) in other non-financial liabilities	6.66	(43.62)
Increase/ (decrease) in provisions	19.74	17.23
Cash generated from / (used in) from operations	**7259.53**	**7105.18**
Income taxes (paid)/ refunded	52.83	133.56
Net cash generated from / (used) in operating activities	**7312.36**	**7238.74**
Cash flow from investing activities:		
Purchase of property, plant and equipment and intangible asset	(111.92)	(46.89)
Purchase of mutual funds	(9479.53)	(11100.00)
Sale of mutual funds	9041.17	11116.28
Net cash generated from / (used in) investing activities	**(550.28)**	**(30.61)**
Cash flow from financing activities:		
Proceeds from debt securities (net of issue expenses)	0.00	0.00
Repayment of debt securities	(1337.55)	(2350.00)
Proceeds from borrowings (other than debt securtities)	1010.00	6500.00
Repayment borrowings (other than debt securtities)	(6208.34)	(13620.22)
Proceeds / (repayment) related to securtisation transaction (net	(896.06)	1772.82
Proceeds from issue of CCPS	714.57	0.00
Payment of lease liabilities	(115.55)	(157.08)
Net cash generated from / (used in) financing Activities	**(6832.93)**	**(7854.48)**
Net increase/ (decrease) in cash and cash equivalents	(70.85)	(646.35)
Cash and cash equivalents at the beginning of the year	1635.17	2281.56
Cash and cash equivalents at the end of the year	**1564.32**	**1635.17**
Cash and cash equivalents comprises of	**As at 31 March 2022**	**As at 31 March 2021**
Cash in hand	0.67	2.04
Balances with banks in current accounts	1563.65	1633.14
TOTAL (refer note 3)	**1564.32**	**1635.17**

As per our report of even date attached

For **S.R. Dinodia & Co. LLP.**
Chartered Accountants
Firm Registration Number: 001478N / N -500005

(Sandeep Dinodia)
Partner
Membership No.: 08368

Place of Signature : New Delhi
Date : 26 May 2022

For **and on behalf of the Board of Directors of Saija Finance Private Limited**

(S.R.Sinha)
Chairman cum Managing Director
DIN No.: 00917884
Place : New Delhi
Date : 26 May 2022

(Deepika)
Company Secretary
M. No.: FCS-11027
Place : New Delhi
Date : 26 May 2022

(Abhishek Agrawal)
Director
DIN No.: 06760344
Place : Mumbai
Date : 26 May 2022

(Nilamani Mohanty)
Manager- F&A
PAN: AGEPN4298D
Place : New Delhi
Date : 26 May 2022

Saija Finance Private Limited

Notes to financial statements for the year ended 31 March 2022

(All amount is Rupees lakh unless otherwise stated)

1 Corporate information

Saija Finance Private Limited (the 'Company') was incorporated in India on 26 September 1997. The Company was registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') vide Certificate No. B.14.01576 dated 25 March 2009 and had got classified as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with effect from 13 December 2013. The debentures of the Company have been listed on the Wholesale debt segment of the Bombay Stock Exchange.

The Company is engaged primarily in providing micro finance services to borrowers in the rural, semi-urban and urban areas of Bihar, Jharkhand, Uttar Pradesh, Haryana and Punjab who are enrolled as members and organised as Joint Liability Groups (JLGs).

2 Significant accounting policies

A) Basis of Preparation

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Company has incurred significant losses in the current year resulting in a substantial erosion of its net worth as at 31 March 2022, from Rs. 3,363.28 lacs to Rs. 1,279.34 lacs). The Company's loan disbursal during the year has also been significantly lower than in earlier years/ plan. Based on the management assessment, this reduced lending volumes are primarily attributable to the inordinate delay in additional equity infusion and on account of impact/disruption caused by Covid-19. As mentioned in note no. 46.2, the Company has made credit loss provisioning amounting to Rs. 928.77 lacs (31 March 2021: Rs. 3,670.25 lacs) w.r.t impairment of loans. While the Company's assets under management has significantly declined on account of funds availability and Covid-19 disruption, the Company has continued to meet its liability / commitments during the year ended 31 March 2022. There have been no defaults in repayments of dues. While there have been instances of covenant breaches with several lenders, based on discussions/ renewal patterns with its lenders, there are no instances of adverse action by any of the lenders. Further as of that date, the Company's static cash position is positive, i.e. the Company projects sufficient funds flow from the existing assets to repay its debts on time, in the foreseeable future.

Further to meet its growth Capital requirement, the Company entered into an agreement with Dvara KGFS to act as its strategic partner. Dvara KGFS is an NBFC and Accion (holding 45 % in the company through Accion Gateway LLC and Accion Africa Asia Investment Company) holds a substantial minority stake in Dvara KGFS. Share Subscription and Holding agreement has been agreed on by all, including the commercial terms, duly approved by the Board of Directors of both Companies. Pursuant to this arrangement, Dvara KGFS has taken 25.9% stake and infused a fresh capital of Rs. 756 lacs in the Company. Considering the geographical and operational spread of the 2 companies, the mission and vision, vintage and governance have strong synergies.

Additionally, Dvara KGFS has extended through a BC line in the States of Bihar, Jharkhand and Uttarpradesh. Dvara KGFS provides management support need based and provide requisite corporate guarantee for the Company. Existing investor Accion has also committed to support the Company by a StandBy Letter of Credit of US $1m which could be leveraged to meet the Company's credit requirements. Based on the continued financial and strategic support and developments around Company's requirement of growth capital including committed support from Accion and infusion by Dvara Capital, the Company will be able to meet its obligations as they fall due, at for a period of 12 months after the balance sheet date, accordingly these financials have been prepared on going concern basis.

(i) Statement of compliance and basis for preparation and presentation of financial statements

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ('the Act') in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

These finanical statements were approved by the Company's Board of Directors and authorized for issue in it's meeting held on 26 May 2022.

(ii) Historical cost convention

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

- Certain financial assets and liabilities - Measured at fair value
- Share-based payments - Measured at fair value

(iii) Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 39.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event.

B) Revenue Recognition

(i) Interest income

Interest income from financial asset is recognised on accrual basis by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR is the rate that discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset adjusted for upfront expenses and incomes attributable to the acquisition of the financial asset. The interest income is recognised on EIR method on a time proportion basis applied on the carrying amount for financial assets.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. Any subsequent changes in the estimation of the future cash flows are recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the amortised cost (i.e. carrying value net of loss allowance) of the financial asset.

Income from direct assignment transactions represents the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and consideration received (including any new asset obtained less any new liability assumed).

(ii) Income from direct assignment transactions

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of Excess Interest Spread (EIS). The future EIS basis the scheduled cash flows, on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in statement of profit and loss.

(iii) Fees and commission income

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Income from investments are recognised on accrual basis as the investments are classified as fair value through profit and loss.

C) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction fees or costs that are directly attributable and incremental to the origination/acquisition of the financial asset unless otherwise specifically mentioned in the accounting policies.

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Purchase or sale of unquoted instrument is recognised on the closing date or as and when the transaction is completed as per terms mentioned in relevant transaction agreement/document.

Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company assesses the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

- the objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

- the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers the contractual cashflows as on the date of financial reporting.

Subsequent measurement

(i) The Company classifies its financial assets in the following measurement categories:

Amortised cost (AC)

A financial asset is measured at amortised cost if it meets both of the following conditions:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the statement of profit and loss. The losses if any, arising from impairment are recognised in the statement of profit and loss. Foreign exchange gains/losses are recognised in statement of profit and loss.

(ii) Fair value through Other Comprehensive Income (FVOCI) – debt investment

A debt investment is measured at FVOCI if it meets both of the following conditions:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at fair value. Interest income is recognised using the effective interest (EIR) method. The loss allowance is recognized in other comprehensive income and does not reduce the carrying value of the financial asset.

(iii) Fair value through Other Comprehensive Income (FVOCI) – equity investment

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income. This election is made on an investment- by- investment basis.

After initial measurement, such financial assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

(iv) Fair value through profit and loss (FVTPL)

This is a residual category for classification. Any asset which does not meet the criteria for classification as at amortised cost or FVOCI, is classified as FVTPL. Financial assets at FVTPL are measured at fair value, and changes in fair value therein are recognised in the statement of profit and loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost except when designated to be measured at FVTPL. Liabilities which are classified at fair value through profit or loss, including derivatives that are liabilities, shall be subsequently measured at fair value. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

D) Derecognition of financial assets and financial liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company assess the derecognition test where the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred or retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in statement of profit and loss.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

E) Modification of financial assets and financial liabilities

Financial assets

The Company evaluates whether the cash flows from a financial asset are modified and the modified asset is substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

In case the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognises the amount arising from adjusting the gross carrying amount as modification gain or loss in statement of profit and loss. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

F) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

G) Impairment of financial assets

Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost and FVOCI.

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. In such cases, loss allowance has been measured at 12 month ECL.

At each reporting date, the Company assesses whether any financial asset carried at amortised cost and FVOCI is credit-impaired. A financial asset is credit- impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired includes the observable data such as Days Past Due ('DPD') or default event.

ECL is a probability weighted estimate of credit losses, measured as follows:

- Financial assets that are not credit impaired at the reporting date:

ECL has been estimated by determining the probability of default ('PD'), Exposure at Default ('EAD') and loss given default ('LGD'). PD has been computed using observed history of default and converted into forward looking PD's using suitable macro-economic variable data.

- Financial assets that are credit impaired at the reporting date:

For loans, ECL has been estimated as the difference between the gross carrying amount and the present value of estimated future cash flows.

For trade receivables, the Company applies a simplified approach. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised:

- If the expected restructuring will not result in derecognition of the existing asset, expected cash flows arising from the modified financial asset are included in calculating cash shortfalls from the existing asset
- If the expected restructuring will result in derecognition of the existing asset and the recognition of modified asset, the modified asset is considered as a new financial asset. The date of the modification is treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The impairment loss allowance is measured at an amount equal to 12 month expected credit losses until there is a significant increase in credit risk. If modified financial asset is credit-impaired at initial recognition, the financial asset is recognized as originated credit impaired asset.

Criteria used for determination of movement from stage 1 (12 month ECL) to stage 2 (lifetime ECL) and stage 3 (Credit impaired)

The Company applies a three-stage approach to measure ECL on financial assets measured at amortised cost and FVOCI. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

- **Stage 1: 12 month ECL**

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- **Stage 2: Lifetime ECL (significant impaired):**

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due (DPD) information and other qualitative factors to assess deterioration in credit quality of a financial asset.

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

- **Stage 3: Credit impaired:**

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortized cost (net of loss allowance).

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the Expected Credit Loss reverts from lifetime ECL to 12-months ECL

Method used to compute lifetime ECL:

The Company calculates ECLs based on a probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the present value of cash flows that the entity expects to receive. The Company applies statistical techniques to estimate lifetime ECL.

Manner in which forward looking assumptions are incorporated in ECL estimates:

The Company considers its historical loss experience and adjusts it for current observable data. In addition, the Company uses reasonable forecasts of future economic conditions including expert judgement to estimate the amount of expected credit losses. The methodology and assumptions including any forecasts of future economic conditions are periodically reviewed and changes, if any, are accounted for prospectively.

H) Write-offs

The gross carrying amount of financial assets are written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts. Any subsequent recoveries are credited to impairment on financial instruments in statement of profit and loss. However, financial assets that are written-off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

I) Determination of fair value

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments such as pass through certificates, mutual funds etc.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:-

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

J) Functional and presentational currency

The financial statements are presented in Indian Rupees which is also functional currency of the company. All amounts have been rounded off to the nearest lakhs with two decimals, unless otherwise indicated.

K) Foreign currency translation

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/expense in the statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the gain or loss on fair value changes.

Non-monetary items that are measured at historical cost in foreign currency are not retranslated at reporting date.

L) Lease

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company considers incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

M) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

N) Property, plant and equipment

i.Recognition and measurement

Property, Plant and Equipment (PPE) are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a.Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b.Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in statement of profit and loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for and depreciated as separate items (major components) of property, plant and equipment.

ii.Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii.Depreciation, estimated useful lives and residual value

Deprecation is calculated using the written down value method to write down the cost of property and equipment to their residual values over their estimated useful lives in the manner prescribed in Schedule II of the Act. The Company has estimated 5% residual value at the end of the useful life for all block of assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Improvements to leasehold premises are charged off over the primary period of lease. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

Property, plant and equipment are de-recognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is recognised in other income/expense in the statement of profit and loss in the year the asset is de-recognised.

O) Intangible assets

i.Recognition and measurement

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

ii.Subsequent expenditure

Subsequent expenditure on an intangible asset after its purchase/completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

iii.Amortisation

Intangible assets comprise computer software which is amortized on a written down value basis over the estimated useful economic life.
Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

P) Impairment of Non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount in the Statement of Profit and Loss.

The recoverable amount is the greater of the fair value less costs of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognized.

Q) First Loss Default Guarantee

First loss default guarantee contracts are contracts that require the Company to make specified payments to reimburse the bank and financial institution for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a agreement. Such financial guarantees are given to IDBI Bank and Dvara Kshetriya Gramin Financial Services Private Limited(Dvara KGFS), for whom the Company acts as 'Business Correspondent'.

For IDBI, these contracts are initially measured at fair value and subsequently measure at higher of:

- The amount of loss allowance (calculated as described in policy for impairment of financial assets)
- Maximum amount payable as on the reporting date to the respective bank/financial institution which is based on the amount of loans overdue for more than 60 days in respect to agreements with bank and financial institutions.

For Dvara KGFS-

-Business correspondence has been entered with 100% FLDG i.e., full repayment default on borrowers part would be made good to Dvara KGFS.
-Loss allowance is calculated as described in policy for impairment of financial assets.

R) Employee benefits

The Company's obligation towards various employee benefits has been recognised as follows:
Short-term employee benefits:
All employee benefits payable/ available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Post employment benefits:
Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified periodic contributions towards employee provident fund to government administered provident fund scheme which is a defined contribution plan. 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 plans
The Company provides for gratuity, a defined benefit plan covering eligible employees. Gratuity is covered under scheme administered by Life Insurance Corporation of India and the contributions made by the Company to the scheme are recognised in the Statement of Profit and Loss. The liability recognised in the Balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets. The calculation of the Company's obligation under the plan is performed annually by qualified independent actuary using the projected unit credit method.
Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs.

Compensated absences
The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.
The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

S) Provisions, Contingent liabilities and contingent assets

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements

Contingent assets are not recognised in the financial statements. Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.

T) Income tax

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax
Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income-tax Act, 1961. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
Current tax assets and current tax liabilities are offset only if the Company has a legally enforceable right to set off the recognised amounts, and it intends to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent period.

MAT credit available is recognised as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

Deferred tax assets arising mainly on account of carry forward losses and unabsorbed depreciation under tax laws are recognised only if there is reasonable certainty of its realisation, supported by convincing evidence.

Deferred tax assets on account of other temporary differences are recognised 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 realised.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Changes in deferred tax assets / liabilities on account of changes in enacted tax rates are given effect to in the statement of profit and loss in the period of the change. The carrying amount of deferred tax assets are reviewed at each Balance Sheet date.

Deferred tax assets and deferred tax liabilities are off set when there is a legally enforceable right to set-off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

U) Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the financial year, adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, that have changed the number of equity shares outstanding, without a corresponding change in resources. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

V) Grants and subsidies

Grant and subsidies are recognised when there is a reasonable assurance that (i) the Company will comply all the conditions attached with them; and (ii) the grant/ subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and realised to income in equal amounts over the expected useful life of the asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

W) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

ii) Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).
This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

iii) Impairment of financial asset

Elements of the ECL models that are considered accounting judgements and estimates include:

- The company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

iv) Business model assessment

Classification of financial assets: Assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest ('SPPI') on the principal amount outstanding

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

v) Determination of estimated useful lives of property, plant and equipment and Intangible assets

Depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

vi) Measurement of defined benefit obligations

The measurement of obligations related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal, mortality rates etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations.

vii) Determination of lease term

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Discount rate for lease liability

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. And discount rate of security deposits is generally based on the SBI deposit rate at the time of deposit.

X) Segment reporting

The Chairman cum Managing Director (CMD) of the company has been identified as the chief operating decision maker (CODM) as defined by the Ind AS 108, "Operating segments". Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company

Y) Statement of cash flow

Cash flows are reported using the indirect method as prescribed under Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Z) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down to the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

AA) Trade Receivables

After initial recognition, trade receivables are subsequently measured at amortized cost using the effective interest method, less provision for impairment. The Company follows the simplified approach required by Ind AS 109 for recognition of impairment loss allowance on trade receivables, which requires lifetime ECL to be recognised at each reporting date, right from initial recognition of the receivables.

AB) Exceptional items

When items of income and expenses within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

AC) Securities premium

The Company have used its security premium account to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

AD) Standards issued but not effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following amendments to Ind AS which the Company has not applied as they are effective from 1 April 2020. Since, the financial statements of the Company has not yet approved, amendments with respect to Ind AS 116, is applied for annual reporting periods beginning on or after 1 April 2019):

Ind AS 116, Leases:

As a practical expedient, the Company as a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. If the Company makes this election, then it shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification. The practical expedient in applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all the required conditions are met. The Company does not expect this amendment to have any significant impact on its Financial Statements.

Ind AS 103, Business combination:

Under Ind AS 103, the definition of business has been amended to state that 'An integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.' Amendment also include introduction of an optional concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Further amendment also includes additional guidance on how to assess whether an acquired process is substantive, if the acquired set of activities and assets does not have output and if does have output. The Company does not expect this amendment to have any significant impact on its Financial Statements.

Ind AS 1 Presentation of Financial Statements and Ind AS 8, Accounting Polices, Change in Accounting Estimate and Errors:

Under Ind AS 1 and Ind AS 8, the amendment has introduced a refined definition of the term 'material'. 'Material' has been defined as Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Consequential amendments made to other standards basis the revised definition of material. The Company does not expect this amendment to have any significant impact on its Financial Statements.

- Ind AS 107, Financial Instruments: Disclosures:

Under the amendment to Ind AS 107, additional disclosure requirements were introduced for hedging relationships to which an entity applies the exceptions set out in Ind AS 109. The Company does not expect this amendment to have any significant impact on its Financial Statements.

- Ind AS 109, Financial Instruments: Disclosures:

Under the amendment to Ind AS 107, modification to some specific hedge accounting requirements have been made to provide relief to the potential effects of uncertainty caused by the interest rate benchmark (IBOR) reform. The Company does not expect this amendment to have any significant impact on its Financial Statements.

[This space has been left blank intentionally]

	As at 31 March 2022	As at 31 March 2021
3 Cash and cash equivalents		
Cash on hand	0.67	2.04
Balances with banks		
On current accounts	1,563.65	1,633.14
Total cash and cash equivalents	**1,564.32**	**1,635.18**
4 Bank balances other than cash and cash equivalents		
Bank deposits with remaining matuirty for more than 3 months but less than 12 months	855.71	172.01
Bank deposits with remaining maturity for more than 12 months	219.92	599.26
	1,075.63	**771.27**

Fixed deposit with banks/ financial institutions are under lien and are not available for free use. The details of the same are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Fixed deposit against term loans	296.61	524.39
Pledge with banks as cash collateral for securitization transactions	145.75	246.88
Pledge with banks as cash collateral for business correspondent services	-	-
Total	**442.36**	**771.27**

5	**Trade receivables**		
(a)	Receivables considered good - Secured	-	-
(b)	Receivables considered good - Unsecured	36.39	3.82
(c)	Receivables which have significant increase in credit risk	-	-
(d)	Receivables - credit impaired	-	-
	Less : Allowance for impairment loss allowance	-	-
		36.39	**3.82**

Trade Receivable ageing schedule as at March 31, 2022

Partculars	Unbilled	Not Due	Less Than 6 Months	Total
(i) Undisputed Trade receivables - considered good	-	-	36.39	36.39
(ii) Undisputed Trade receivables -which have significant increase in credit risk	-	-	-	-
(ii) Undisputed Trade receivables -credit impaired				
(iv) Disputed Trade receivables - considered good	-		-	-
(v) Disputed Trade receivables -which have significant increase in credit risk	-	-	-	-
(vi) Disputed Trade receivables -credit impaired				
Total	-	-	**36.39**	**36.39**

Trade Receivable ageing schedule as at March 31, 2021

Partculars	Unbilled	Not Due	Less Than 6 Months	Total
(i) Undisputed Trade receivables - considered good	-	-	3.82	3.82
(ii) Undisputed Trade receivables -which have significant increase in credit risk	-	-	-	-
(ii) Undisputed Trade receivables -credit impaired				
(iv) Disputed Trade receivables - considered good	-		-	-
(v) Disputed Trade receivables -which have significant increase in credit risk	-	-	-	-
(vi) Disputed Trade receivables -credit impaired				
Total	-	-	**3.82**	**3.82**

6 Loans

Particulars	As at 31 March 2022	As at 31 March 2021
Loans measured at amortised cost - Term Loans		
Loans to customers (Joint liability group loans)	8,268.57	20,996.60
Minimum retention requirement (relating to assignment transaction)	48.64	36.46
Total - Gross	**8,317.21**	**21,033.06**
Less: Impairment loss allowance	(928.72)	(3,670.26)
Total - Net	7,388.49	17,362.81
(a) Secured by tangible assets	-	-
(b) Secured by intangible assets	-	-
(c) Covered by Bank/Government Guarantees	-	-
(d) Unsecured	8,317.21	21,033.06
Total - Gross	**8,317.21**	**21,033.06**
Less: Impairment loss allowance	(928.72)	(3,670.26)
Total - Net	**7,388.49**	**17,362.81**
(I) Loans in India		
(i) Public Sector	-	-
(ii) Others (Joint liability group loans)	8,317.21	29,210.80
Total (I) - Gross	**8,317.21**	**29,210.80**
Less: Impairment loss allowance	(928.72)	(1,360.25)
Total (I) - Net	**7,388.49**	**27,850.55**
(II) Loans outside India	-	-
Less: Impairment loss allowance	-	-
Total (II) - Net	-	-
Total (I) and (II)	**7,388.49**	**27,850.55**

Hypothecation of loans

Loans to customers (Joint liability group loans) includes Rs. 6,021.27 Lakhs (31 March 2021: Rs. 13,997.28) hypothecated to Banks and Financial Institutions against the loans received. It excludes loan on which charge has been created subsequent to year end.

[This space has been left blank intentionally]

7 Investment (Unsecured, consider good unless otherwise stated)	As at 31 March 2022	As at 31 March 2021
Invement in Mutual Funds	451.80	0.00
	451.80	**0.00**

The above investment is measured at Fair value through Profit & Loss

8 Other Financial assets	As at 31 March 2022	As at 31 March 2021
Unsecured, consider good unless otherwise stated		
Security deposits	301.42	533.24
Interest accrued on fixed deposits	46.65	16.49
Interest accrued on security deposits	5.86	48.50
Others recoverable	29.45	56.46
Excess interest spread on assignment	57.93	24.38
Receivable from CSP	31.60	**0.00**
	472.91	**679.07**
Loans to related parties		
Loans to Saija Management and Employee Welfare Trust	680.92	680.92
Less: Amount utilised by the trust for purchase of equity shares	(680.92)	(680.92)
	-	-
Unsecured, considered doubtful		
Insurance claim receivable	262.71	250.01
Impairtment on insurance claim receivable	(178.38)	(158.16)
Net Insurance claim receivable	**84.33**	**91.85**
Receivable from ex-employees	41.11	41.11
Impairment for receivable from ex-employees	(41.11)	(41.11)
	-	-
	557.24	**770.92**

9 Current Tax assets		
Advance income tax (net of provisions of Rs Nil (31 March 2021: Rs. 1,005.70))	57.43	114.01
	57.43	**114.01**

[This space has been left blank intentionally]

10 Deferred tax assets (net)

	As at 31 March 2022	As at 31 March 2021
Deferred Tax Assets	471.55	471.55
Deferred Tax Liabilities	29.00	29.00
Net Deferred Tax Assets	**442.55**	**442.55**

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax Assets relates to followings:		
Property, Plant and Equipment and Intangible Assets	20.69	20.69
Employee benefit	54.96	54.96
Impairment of Loans and other financial assets	347.60	347.60
Effective interest rate on financial assets	37.79	37.79
Others	10.51	10.51
	471.55	**471.55**
Deferred tax liabilities relates to followings:		
Application of effective interest rate on financial Liabilities	11.63	11.63
Excess interest spread	14.14	14.14
Others	3.23	3.23
	29.00	**29.00**
Deferred tax assets (net)	**442.55**	**442.55**

10.1 The Following Deferred Tax Assets (Net) are not Recognised :

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax Assets relates to followings:		
Property, Plant and Equipment and Intangible Assets	(1.24)	1.43
Employee benefit	16.38	10.95
Impairment of Loans and other financial assets	3.04	633.45
Effective interest rate on financial assets	(28.98)	(21.40)
Brought forward loss	1532.88	220.14
Others	8.00	(8.89)
	1530.08	**835.68**
Deferred tax liabilities relates to followings:		
Application of effective interest rate on financial Liabilities	(6.87)	14.62
Excess interest spread	0.44	(8.00)
Others	5.55	1.14
	(0.88)	**7.76**
Deferred tax assets (net)	**1530.96**	**827.92**

10.2 Income tax recognised in Statement of profit and loss

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax expense:		
Current year	-	-
Changes in estimates pertaining to earlier years	3.74	6.97
Total current tax (A)	**3.74**	**6.97**
Deferred tax assets/ (liabilities):		
Current year origination and reversals of temporary difference	-	-
Deferred tax charge/ (credit) (B)	-	-
Total tax expense recognised in statement of profit and loss	**3.74**	**6.97**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Income tax recognised in Other Comprehensive Income		
Income tax impact on Remeasurement of defined benefits	-	-
Total Income tax recognised in Other Comprehensive Income	-	-

10.3 Reconciliation of estimated Income tax expense at tax rate to income tax expense reported in the Statement of profit and loss is as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	**(2805.28)**	**(3243.52)**
Applicable income tax rate	25.17%	25.17%
Expected Income tax expenses	**(706.03)**	**(816.34)**
Adjustments:		
Impact of unrecognised deferred tax asset	2.64	(5.75)
Unrecognised deferred tax assets	703.04	827.92
Effect of changes in the tax rates	-	-
Adjustment related to tax of prior years	4.09	1.14
Reported Income tax expenses	**3.74**	**6.97**

Notes:

1) The Company has elected to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019.
2) The Company has recognised deferred tax assets (net of Liabilities) only to the extent it is probable that future taxable income will be available against which unused tax credit will be adjusted.

[This space has been left blank intentionally]

Saija Finance Private Limited

Notes to financial statements for the year ended 31 March 2022

(All amount is Rupees lakh unless otherwise stated)

11: Property, Plant & Equipment (at cost less accumulated depreciation)

Particulars	Furniture and Fixtures	Computers		Office equipment		Leasehold Improvement	Total
		Out of Own funds	Out of grant	Out of Own funds	Out of grant		
Gross Block							
As At 01.04.2020	34.87	95.54	0.12	40.58	0.04	32.01	**203.16**
Additions	0.34	0.88	-	5.34	-	4.91	**11.47**
Deductions/adjustments	-	0.43	-	6.12		9.75	**16.30**
As At 31.03.2021	**35.21**	**95.99**	**0.12**	**39.79**	**0.04**	**27.18**	**198.33**
Additions	-	4.41	-	19.61	-	-	**24.02**
Deductions/adjustments	0.43	-	-	0.95	-	-	**1.38**
As At 31.03.2022	**34.78**	**100.40**	**0.12**	**58.45**	**0.04**	**27.18**	**220.97**
Depreciation / Amortisation							
As At 01.04.2020	15.21	70.44	-	22.92	-	20.57	**129.14**
For the year	4.90	11.83		8.16	-	5.48	**30.37**
Deductions/adjustments	-	0.32	-	5.82	-	8.33	**14.47**
As At 31.03.2021	**20.11**	**81.95**	**-**	**25.26**	**-**	**17.72**	**145.04**
For the year	3.65	4.85	-	9.19	-	2.87	**20.56**
Deductions/adjustments	0.19	-	-	0.86	-	-	**1.05**
As At 31.03.2022	**23.57**	**86.79**	**-**	**33.59**	**-**	**20.58**	**164.55**
Net Block							-
As At 31.03.2022	**11.21**	**13.61**	**0.12**	**24.86**	**0.04**	**6.59**	**56.43**
As At 31.03.2021	**15.10**	**14.04**	**0.12**	**14.53**	**0.04**	**9.46**	**53.30**

[This space has been left blank intentionally]

12 Leases

12.1 The table below provides details for the changes in the carrying value of right of use assets

	As at 31 March 2022	As at 31 March 2021
Gross		
Opening balance	**380.49**	**480.91**
Additions during the year	50.64	59.35
Deductions during the year	(66.04)	(159.77)
Closing Balance	**365.09**	**380.49**
Amortisation		
Opening balance	**209.58**	**180.76**
Amortisation for the year	82.72	119.01
Deductions during the year	(30.18)	(90.19)
Closing balance	**262.12**	**209.58**
Net closing balance	**102.97**	**170.91**

12.2 The table below provides details for the changes in the lease liabilities

	As at 31 March 2022	As at 31 March 2021
Opening balance of lease liabilities	174.23	337.61
- Additions	50.64	59.31
- Deductions	(10.94)	(115.96)
- Accretion of finance cost	78.33	43.96
- Payments	(168.67)	(150.69)
Closing balance of lease liabilities	**123.58**	**174.23**

12.3 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

	As at 31 March 2022	As at 31 March 2021
Upto 12 months	75.21	102.21
1-5 Years	70.89	117.28
More than 5 Years	0.00	0.00
Total	**146.11**	**219.50**
Less: Impact of discounting	22.53	45.27
Lease liabilities included in the statement of financial position	**123.58**	**174.23**

12.4 Amounts recognised in profit or loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on lease liabilities	78.33	43.96
Expenses relating to short-term leases	34.04	7.35
Depreciation expense for right-of-use assets	82.72	119.01
	195.08	**170.32**

12.5 Amounts recognised in the statement of cash flows

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total cash outflow for leases	115.55	157.08

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

Saija Finance Private Limited

Notes to financial statements for the year ended 31 March 2022

(All amount is Rupees lakh unless otherwise stated)

13: Intangible Assets

Particulars	Computers Software		Total
	Out of Own funds	Out of grant	
Gross Block			
As At 01.04.2020	102.42	2.25	**104.67**
Additions	-	-	-
Deductions/adjustments	-	-	-
As At 31.03.2021	**102.42**	**2.25**	**104.67**
Additions	39.51	-	**39.51**
Deductions/adjustments	-	-	-
As At 31.03.2022	**141.93**	**2.25**	**144.18**
Depreciation / Amortisation			
As At 01.04.2020	53.14	0.36	**53.50**
For the year	21.76	0.19	**21.95**
Deductions/adjustments	-	-	-
As At 31.03.2021	**74.90**	**0.55**	**75.45**
For the year	18.73	1.70	**20.43**
Deductions/adjustments	-	-	-
As At 31.03.2022	**93.63**	**2.25**	**95.88**
Net Block			-
As At 31.03.2022	**48.30**	**0.00**	**48.30**
As At 31.03.2021	**27.52**	**1.70**	**29.22**

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

14 Other non financial assets

	As at 31 March 2022	As at 31 March 2021
Unsecured, consider good unless otherwise stated		
Capital advance	11.75	38.00
Prepaid expenses	23.04	4.39
Balance with	113.04	68.24
Vendor advance	-	53.49
Staff advances	7.11	7.00
Receivable under business correspondent model	2.17	-
Other non financial assets	5.21	-
	162.32	**171.12**

15 Trade payables

	As at 31 March 2022	As at 31 March 2021
(i) total outstanding dues of micro enterprises and small enterprises; and (refer note 15.1)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	164.04	134.47
	164.04	**134.47**

15.1 Disclosures relating to Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
	-	-

Trade Payable ageing schedule as at March 31, 2022

Partculars	Unbilled	Not Due	<1 year	1-2 years	2-3 years	> 3years	Total
(i) MSME	-	-				-	-
(ii) Others	-	-	150.23	13.62	-	0.19	164.04
(iii) Disputed Dues-MSME	-	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-	-
Total	-	-	150.23	13.62	-	0.19	164.04

Trade Payable ageing schedule as at March 31, 2021

Partculars	Unbilled	Not Due	<1 year	1-2 years	2-3 years	> 3years	Total
(i) MSME	-	-	-		-	-	-
(ii) Others	-	-	122.14	11.52	0.30	0.51	134.47
(iii) Disputed Dues-MSME	-	-	-		-	-	-
(iv) Disputed Dues-Others	-	-	-		-	-	-
Total	-	-	122.14	11.52	0.30	0.51	134.47

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

16 Debt Securities

Particulars	As at 31 March 2022	As at 31 March 2021
Debt securities (at amortised cost)		
Secured		
Redeemable non-convertible debentures *(refer note 16.1)*	1,329.12	2,666.67
Total	**1,329.12**	**2,666.67**
Debt securities in India	1,329.12	2,666.67
Debt securities outside India	-	-
Total	**1,329.12**	**2,666.67**

Note :

16.1 200 (31 March 2021: 267) privately placed secured redeemable fully paid non-convertible debentures of Rs. 1,000,000 each aggregating Rs. 1,329.12 lakh (31 March 2021: Rs. 2,666.67 lakh) carry interest rate ranging from 12.00% p.a. to 13.46% p.a. (31 March 2021: 12.00% p.a. to 14.25% p.a.). The debentures are secured by way of hypothecation of book debts and receivables.

Call/Put option can be exercised by the debenture subscriber or the issuer (Company) at the end of 36 months from the allotment date.

Terms of privately placed secured redeemable non-convertible debentures

Maturity from the date of Balance Sheet	Periodicity	As at 31 March 2022	As at 31 March 2021
> 24 < = 36 months	Bullet	-	1,000.00
> 12 < = 24 months	Bullet	-	1,666.67
Up to 12 months	Bullet	1,333.33	-
Less: Adjustments towards EIR		-4.21	-
		1,329.12	**2,666.67**

[This space has been left blank intentionally]

17 Borrowings (other than debt securities)

	As at 31 March 2022	As at 31 March 2021
Borrowings (at amortised cost)		
Term loans (secured)		
- from banks *(refer note 17.1)*	2127.81	2178.59
- from other parties *(refer note 17.2)*	2279.21	7341.38
Associated liabilities related to securtisation transaction (Secured) *(refer note 17.3)*	1059.78	1955.84
Total (A)	**5466.80**	**11475.81**
Borrowings in India	5466.80	11475.81
Borrowings outside India	0.00	0.00
Total (B)	**5466.80**	**11475.81**

17.1 Secured term loan from bank aggregating to Rs 2,127.81 (31 March 2021: 2,178.59) carrying interest rate ranges from 7.25% p.a.to 14.00% p.a. (31 March 2020: 11.00% p.a.to 14.50% p.a.). The term loan from bank are secured by way of hypothecation of book debts and receivables, lien of fixed deposits, security deposits and personal guarantee of the promotors in certain cases.

Maturity from the date of Balance Sheet	Periodicity	As at 31 March 2022	As at 31 March 2021
> 60 months	Monthly	-	-
> 48 < = 60 months	Monthly	-	-
> 24 < = 48 months	Monthly	2,120.16	2,120.16
> 12 < = 24 months	Monthly	2.50	-
< 12 months	Monthly	5.00	128.11
Less: Adjustments towards EIR		0.15	-69.68
		2,127.81	**2,178.59**

17.2 Secured term loan from other parties aggregating to Rs 2,279.21 (31 March 2021: 7,341.38) carrying interest rate ranges from 09.55% p.a.to 15.00% p.a. (March 31, 2021: 11.84% p.a.to 15.00% p.a.). The term loan from other parties are secured by way of hypothecation of book debts and receivables, lien of fixed deposits and security deposits and personal guarantee of the promotors in certain cases.

Maturity from the date of Balance Sheet	Periodicity	As at 31 March 2022	As at 31 March 2021
> 36 months	Monthly	-	-
> 24 < = 36 months	Monthly	-	-
> 12 < = 24 months	Monthly	247.79	1,412.73
< 12 months	Monthly	2,046.24	5,961.94
Less: Adjustments towards EIR	Monthly	(14.82)	(33.29)
		2,279.21	**7,341.38**

17.3 This represents amounts received in respect of securitization transactions (net of repayments therein) as these transactions do not meet the derecogniton criteria specified under Ind AS. These are secured by way of hypothecation of designated loans assets receivables. It carry's an interest ranging from 14.00% p.a.to 16.00 % p.a. (31 March 2021: 10.25% p.a.to 14.00).

Maturity from the date of Balance Sheet	As at 31 March 2022	As at 31 March 2021
> 12 < = 24 months	100.32	62.79
< 12 months	959.46	1,893.05
	1,059.78	**1,955.84**

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

18 Subordinated liabilities	As at 31 March 2022	As at 31 March 2021
Subordinated liabilities measured at amortised cost		
From bank (unsecured) *(refer note 18.1)*	3,000.00	3,000.00
Total (A)	**3,000.00**	**3,000.00**
Subordinated liabilties in India	3,000.00	3,000.00
Subordinated liabilties outside India	-	-
Total (B)	**3,000.00**	**3,000.00**

18.1 Unsecured term loan from bank aggregating to Rs 3,000.00 (31 March 2021: 3,000.00) carrying interest rate ranges from 16.00% p.a.to 17.75% p.a. (31 March 2021: 16.00% p.a.to 17.75% p.a.)

Maturity from the date of Balance Sheet	Periodicity	As at 31 March 2022	As at 31 March 2021
> 60 months	Bullet	-	-
> 48 < = 60 months	Bullet	-	1,500.00
> 36 < = 48 months	Bullet	1,500.00	-
> 24 < = 36 months	Bullet	-	-
> 12 < = 24 months	Bullet	-	1,500.00
< 12 months	Bullet	1,500.00	-
		3,000.00	**3,000.00**

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

	As at 31 March 2022	As at 31 March 2021
19 Other financial liabilities		
Payable under assignment transactions	7.01	63.10
Employee benefits payable	344.43	379.30
Insurance claims payable to customers	13.60	16.08
NPS lite contribution fund payable	0.63	0.63
Excess money received from customer	-	11.14
Interest accrued but not due		
-Debt securities	14.19	30.22
-Borrowings (other than debt securities)	32.40	57.35
-Subordinated liabilities	43.00	43.00
	455.26	**600.82**

20 Provisions	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for gratuity *(refer note 45)*	84.10	74.66
Compensated absences *(refer note 45)*	7.35	7.55
	91.45	**82.21**

21 Other non financial liabilities	As at 31 March 2022	As at 31 March 2021
Statutory due payable	34.28	27.62
	34.28	**27.62**

[This space has been left blank intentionally]

22 Equity share capital

	As at 31 March 2022		As at 31 March 2021	
	Number of shares*	Amount	Number of shares*	Amount
Authorized				
Equity shares of Rs 10 each	69,000,000	6,900.00	69,000,000	6,900.00
Preference share of Rs 10 each				
Compulsorily convertible preference shares of Rs 10 each	30,000,000	3,000.00	30,000,000	3,000.00
Optionally converlible preference shares of Rs 10 each	3,000,000	300.00	3,000,000	300.00
	102,000,000	**10,200.00**	**102,000,000**	**10,200.00**

	As at 31 March 2022		As at 31 March 2021	
	Number of shares*	Amount	Number of shares*	Amount
Issued, subscribed and paid up				
Equity shares				
(Equity shares- Class A shares of Rs. 10 each)	55,464,582	5,546.46	55,464,482	5,546.45
Compulsory Convertible Prefrence shares				
CCPS of Rs 3 each with Cummulative Dividend 0.001%	21,437,998	643.14	-	-
	76,902,580	**6,189.60**	**55,464,482**	**5,546.45**

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at 31 March 2022		As at 31 March 2021	
	Number of shares*	Amount	Number of shares*	Amount
Outstanding at the beginning of the year	61,334,482	6,133.45	61,334,482	6,133.45
Add : Issued during the year	100	0.01	-	-
	61,334,582	6,133	61,334,482	6,133
Adjustment for Equity shares issued to Saija Management and Employee Welfare Trust *{Refer to note 22(k)}*	-5,870,000	-587.00	-5,870,000	-587.00
Outstanding at the end of the year	**55,464,582**	**5,546**	**55,464,482**	**5,546**

(b) Terms/ rights attached to equity shares

The Company has issued its equity shares in Class A and B having a par value of Rs 10 per share. Each shareholder of the Company is entitled to vote in proportion of the share of paid-up capital of the Company held by the shareholder. Each shareholder is entitled to receive interim dividend when it is declared by the Board of Directors. The final dividend proposed by the Board of Directors are paid when approved by the shareholders at Annual General Meeting. In the event of liquidation, the shareholders of the Company are entitled to receive the remaining assets of the Company after discharging all liabilities of the Company in proportion to their shareholdings.

(c) Reconciliation of compulsory convertible preference shares outstanding at the beginning and at the end of the year

	As at 31 March 2022		As at 31 March 2021	
	Number of shares*	Amount	Number of shares*	Amount
Outstanding at the beginning of the year	-	-	-	-
Add : Issued during the year	21,437,998	643.14	-	-
Outstanding at the end of the year	**21,437,998**	**643.14**	-	-

*** Number of shares are in absolute numbers**

(d) Terms/ rights attached to compulsory convertible preference shares

During the year, Company has issued its compulsory convertible preference shares at premium of Rs.0.53 with a face value of Rs 10 per share. Each compulsory convertible preference shareholder is entitled to receive cumulative preference dividend at the rate of 0.001%. Each shareholder of the Company is entitled to vote in proportion of the share of paid-up capital of the Company held by the shareholder. Each shareholder is entitled to receive interim dividend when it is declared by the Board of Directors. The final dividend proposed by the Board of Directors are paid when approved by the shareholders at Annual General Meeting. In the event of liquidation, the shareholders of the Company are entitled to receive the remaining assets of the Company after discharging all liabilities of the Company in proportion to their shareholdings.

(e) Details of equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company

	As at		As at	
Name of the shareholder	Number of shares*	% of holding in the class	Number of shares*	% of holding in the class
Accion Africa Asia Investment Company	25,762,808	44.90%	25,762,808	44.90%
Pragati India Fund Limited	25,741,278	44.87%	25,741,278	44.87%
Saija Management and Employee welfare trust *(Refer to note 22(k) below)*	5,870,000	10.23%	5,870,000	10.23%

Total	**57,374,086**	**100%**	**57,374,086**	**100%**

(f) Details of preference shares held by shareholders holding more than 5% of the aggregate preference shares in the Company

Name of the shareholder	As at		As at	
	Number of shares*	% of holding in the class	Number of shares*	% of holding in the class
Dvara kshetriya gramin financial services private limited	21,437,998	100.00%	-	0.00%
	21,437,998	**100.00%**	**-**	**0.00%**

(g) Equity Shares held by Propmoter at the end of the year

Promoter Name	No.of shares*	% of total Shares	% Change during the year
Shashi Ranjan Sinha	1,002,125	1.63%	Nil
Rashmi Sinha	997,875	1.63%	Nil

(h) Preference Shares held by Propmoter at the end of the year

Promoter Name	No.of shares*	% of total Shares	% Change during the year
Shashi Ranjan Sinha	-	0.00%	Nil
Rashmi Sinha	-	0.00%	Nil

(i) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(j) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

(k) Issue of shares to Saija Finance Private Limited Employees' Stock Option Scheme ('ESOP')/ Management Stock Option Plan ('MSOP')

Pursuant to the Board of Director's approval in the Board meeting held on March 31, 2012, the Company had constituted a trust under the name "Saija Management and Employee Welfare Trust" ('Saija Trust'), with the objective of acquiring and holding of shares, warrants or other securities of the Company for the purpose of implementing the Company's ESOP/ MSOP Scheme. During the year ended March 31, 2013, the Company had given a loan amounting to Rs. 680.92 to Saija Trust for the purpose of acquiring equity shares equivalent to 18.73% of total share capital in the Company. On 1 June 2012, pursuant to the meeting of the Board of Directors of the Company on that date, the Company had issued 58.7 equity shares of Rs. 10 each at a premium of Rs. 1.60 per share. The ESOP / MSOP plan / scheme is yet to be formalised, approved and implemented by the Company.

During the financial year 2017-18, the Saija Management and Employee Welfare Trust ('The Trust') had transferred 2.25 number of equity shares without any consideration, to two of its existing shareholders (who are also the promoters) of the Company, out of which one is the Managing Director of the Company. This transfer was carried out consequent to an understanding/ agreement with other shareholders of the Company to increase the agreed proportion of the promoters in the total equity share capital of the Company. These equity shares were inadvertently transferred to the Trust in year 2012, hence, had been transferred to the promoters in the financial year 2017-18.

However, the Trust was formed only to issue Employee Stock Option (ESOP) / Management Stock Option (MSOP) after formulating ESOP/ MSOP scheme, subject to compliance with related laws and regulations. Further, the Trust has not formulated/ approved any such scheme till date. Hence, on a detailed evaluation carried out in earlier year, these shares have been transferred back by the above mentioned promoters to the Trust. The Company intends to achieve the promoter's shareholding proportion(as agreed between the shareholders vide the shareholders agreement dated 19 December 2017) in the total equity share capital of the company after ensuring compliance with relevant laws and regulations, including possible extinguishment of shares transferred to ESOP trust.

Saija Finance Private Limited

Notes to financial statements for the year ended 31 March 2022

(All amount is Rupees lacs unless otherwise stated)

23 Other equity

(A) Capital Reserve	As at 31 March 2022	As at 31 March 2021
Opening balance	0.16	0.16
Add: Addition during the year	-	-
Closing balance	**0.16**	**0.16**

(B) Revolving Fund	As at 31 March 2022	As at 31 March 2021
Opening balance	1.20	1.20
Add : Addition during the year	-	-
Closing balance	**1.20**	**1.20**

(C) Securities premium	As at 31 March 2022	As at 31 March 2021
Opening balance	274.54	274.54
Less: 5,870,000 (31 March 2021 5,870,000) equity shares issued to Saija Management and Employee Welfare Trust at premium of Rs 1.60 per share *{Refer to note 22(k)}*	(93.92)	(93.92)
Add : Addition during the year	113.79	-
Less : Share issue expenses*	(42.36)	-
Closing balance	**252.05**	**180.62**

*This represents premium on issue of shares to be utilized in accordance with the Act.

(D) Statutory reserve	As at 31 March 2022	As at 31 March 2021
Opening balance	483.94	483.94
Add : Additions/Deductions	-	-
Closing balance	**483.94**	**483.94**

(E) Surplus/(deficit) in the Statement of Profit and Loss	As at 31 March 2022	As at 31 March 2021
Opening balance of surplus/ (deficit)	(2849.09)	424.23
Add: Profit/(loss) for the year	(2809.02)	(3250.49)
Add: Other comprehensive income for the year, net of tax	10.50	(22.83)
Less: Transfer to statutory reserve	-	-
Closing balance	**(5647.61)**	**(2849.09)**
Total other equity	**(4910.26)**	**(2183.17)**

S.K. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

Nature of reserve:

Capital reserve:
The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

Revolving fund:
Revolving fund represents grant received from Small Industries Development Bank of India ('SIDBI') during the year 2008-09.

Securities premium reserve:
Securities premium reserve is used to record the premium on issuance of shares. The reserve can be utilised as per the provision of the Act.

Statutory reserve :
Statutory reserve is used to record reserve in accordance with section 45-IC of the Reserve Bank of India Act, 1934. The statutory reserves can be utilised for the purpose as specified by the RBI from time to time. This is a Statutory reserve created in accordance with section 45 IC(1) of the RBI Act, 1934 which requires the Company to transfer a specified sum (not less than 20% of its profit after tax) to Reserve Fund based on its net profit as per the statement of profit and loss.

Retained earnings:
Retained earnings is used to record profit/(loss) for the year. This amount is utilised as per the provision of Act

[This space has been left blank intentionally]

Saija Finance Private Limited

Notes to financial statements for the year ended 31 March 2022

(All amount is Rupees lacs unless otherwise stated)

24 Interest Income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on (meaured at amortised cost)		
- Loans and advances to customers	1,730.05	5,745.92
- Direct Assignment Transaction	25.53	16.24
Interest on deposits with Banks	50.33	51.77
Other Interest income		
- on cash collateral/ security deposits	20.27	30.98
- on unwinding of security deposits	0.98	1.21
- on Unwinding of EIS	4.04	14.98
	1,831.20	**5,861.10**

25 Fee and Commission Income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Servicer fee income on Securitization	8.00	-
Commission Income on NFL	-	0.25
Business Correspondence Income	30.84	4.67
	38.84	**4.92**

26 Net gain on fair value changes*

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	1.25	-
Net gain on fair value changes	**1.25**	**-**
Fair Value changes:		
-Realised	-	-
-Unrealised	1.25	-
Net gain on fair value changes	**1.25**	**-**

*Fair value changes in this schedule are other than those arising on account of interest income/expense.

27 Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revoveries against loans written off	-	73.58
Interest on Income Tax Refund	2.62	-
Excess provision written back for Compensated Absense	0.20	-
Profit on sale of fixed assets	0.79	
Gain on termination of lease	10.38	46.37
Miscellaneous income	20.51	1.93
	34.50	**121.88**

28 Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On financial liabilities (amortised cost)		
Interest on		
- borrowings (other than debt securities)	832.57	1,913.17
- debt securities	265.66	526.98
- subordinated liabilities	497.00	522.28
Interest on lease liabilities	60.73	43.96
Interest on securitization liabilities	126.39	52.73
	1,782.35	**3,059.12**

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

29 Impairment of loans

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Loans written off	3,185.52	1,099.84
Revoveries against loans written off	(304.58)	-
Impairment loss allowance on loans	(2,741.54)	2,238.53
	139.40	**3,338.37**

30 Employee benefits expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	1,500.82	1,545.94
Contribution to provident and other funds	108.58	113.19
Staff welfare expenses	10.67	10.00
Compensated absences	-	0.41
Gratuity (refer note 45)	30.81	18.97
	1,650.88	**1,688.51**

31 Depreciation and amortization

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, Plant and Equipment	20.56	30.36
Amortization of right-to-use assets	82.67	119.01
Amortization of intangible assets	20.43	21.96
	123.66	**171.33**

32 Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rent	34.04	7.35
Rates and taxes	4.69	3.34
Repairs and maintenance	37.54	11.53
Office maintainence	37.46	40.76
Communication	150.03	139.09
Printing and stationery	27.54	28.93
Legal and professional	397.91	240.39
Insurance	16.02	6.28
Payment to auditors *(refer note 'a' below)*	-	59.00
Provision for insurance recoverable	20.22	119.64
Provision for other recoverable	-	20.54
Recoverable under BC transaction - written off	5.83	38.32
Travel and conveyance	187.51	161.29
Bank charges	72.64	92.32
Loss on sale of fixed assets	0.00	1.62
Miscellaneous	36.80	19.97
	1,028.23	**990.37**

Note:

Payment to Auditors:	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
As auditor		
- for statutory audit	-	46.10
- for limited review	-	9.00
- for tax audit	-	2.40
- for other services	-	-
- Reimbursement of expenses	-	1.50
In other capacity	-	
- Taxation matters	-	-
	-	**59.00**

[This space has been left blank intentionally]

33 Earnings per equity share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. The following table shows the income and share data used in the basic and diluted EPS calculations:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Basic earning per share		
Net profit for the year (A)	**(2,809.02)**	**(3,250.49)**
The calculation of weighted average number of equity shares outstanding for purpose of basic earning per share calculations are as follows:-		
Number of equity shares outstanding at the beginning of the year	55,464,482	55,464,482
Number of equity shares issued during the year	100	-
Number of equity shares outstanding at the end of the year	55,464,582	55,464,482
Weighted average number of equity shares outstanding during the year (B)	**55,464,525**	**55,464,482**
Basic earning per share (C= A/B)	**(5.06)**	**(5.86)**
B. Diluted earning per share		
The calculation of weighted average number of equity shares outstanding for purpose of diluted earning per share		
Add: Number of potential equity share in respect of compulsory convertible perference shares	19,386,406	-
Weighted average number of potential dilutive equity shares	**74,850,931**	**55,464,482**
Diluted earning per share (E= A/D)	**(5.06)**	**(5.86)**

Note: Since Potential ordinary shares results in Antidilutive, hence DEPS restricted to BEPS

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

34 Change in liabilities arising from financing activities

Particulars	As at 1 April 2021	Cash Flows	Other	As at 31 March 2022
Debt securities	2,666.67	(1,354.28)	16.73	1,329.12
Borrowings other than debt securities:				
- Term loans	9,519.97	(5,181.60)	68.66	4,407.03
- Associated liabilities related to securtisation transaction	1,955.84	(896.06)	-	1,059.78
Subordinated liabilities	3,000.00	-	-	3,000.00
Total liabilities from financing activities	**17,142.48**	**(7,431.93)**	**85.39**	**9,795.93**

Particulars	As at 1 April 2020	Cash Flows	Other	As at 31 March 2021
Debt securities	5,016.67	(2,350.00)	-	2,666.67
Borrowings other than debt securities:				
- Term loans	16,698.27	(7,120.22)	(58.08)	9,519.97
- Associated liabilities related to securtisation transaction	183.02	1,772.82	-	1,955.84
- Liability portion of optionally convertible perference shares	-	0.00	-	-
Subordinated Liabilities	3,000.00	-	-	3,000.00
Total liabilities from financing activities	**24,897.96**	**(7,697.41)**	**(58.08)**	**17,142.48**

Other column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

35 Segment information

The Chairman cum Managing Director (CMD) of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by the Ind AS 108, "Operating segments". The Company's operating segments are established in the manner consistent with the components of the Company that are evaluated regularly by the CODM. The Company is engaged primarily in the business of financing and there are no reportable segments as per Ind AS 108.

a) The Entity wide disclosures as required by Ind AS 108 are as follows:
Information about products and services:

The Company is engaged primarily in providing micro finance services to borrowers in the rural, semi-urban and urban areas of Bihar, Jharkhand, Uttar Pradesh, Haryana and Punjab who are enrolled as members and organised as Joint Liability Groups (JLGs).

b) Revenue from external customers
The entire income of the Company is generated from customers who are domiciled in India.

c) Revenue from single customer
The Company does not derives revenues, from any single customer, amounting to 10 per cent or more of Company's revenues.

36 Contingent liabilities and commitments

	Particulars	As at 31 March 2022	As at 31 March 2021
(i)	Contingent liabilities shall be classified as:		
	(a) Claims against the company not acknowledged as debt;		
	- Income tax (including interest) - (refer note below)	44.30	33.16
	- Service tax (including interest) - (refer note below)	152.48	152.48

Note: The Company's penidng tax litigation comprises of claims against the Company pertaining to proceedings pending with income tax authorities and Service tax authorities amounting to Rs.196.78 (31 March 2021: Rs.185.64). The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

(ii) The Hon'ble Supreme Court of India, vide their ruling dated 28 February 2019, set out the principles based on which certain allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed by a third party and is pending before the SC for disposal. In view of the management, pending decision on the subject review petition and directions from the EPFO, the management had a view that the applicability of the decisions is prospective. Further, the impact for the past period, if any, is not practically ascertainable in view of various interpretation issues.

37 Fair value measurement

37.1 Classification of financial assets and financial liabilities:

The following table shows the carrying amounts of financial assets and financial liabilities which are classified as fair value through profit and loss (FVTPL), Fair value through other comprehensive income (FVTOCI) and amortized cost.

Particulars	FVTPL	FVTOCI	Amortized cost	Carrying value	Level 1	Level 2	Level 3
As at 31 March 2022							
Financial assets							
Cash and cash equivalent *	-	-	1,564.32	1,564.32	-	-	-
Bank balances other than cash and cash eq	-	-	1,075.63	1,075.63	-	-	-
Trade receivables *	-	-	36.39	36.39	-	-	36.39
Loans and advances to customers	-	-	7,388.49	7,388.49	-	-	7,388.49
Investments	-	-	451.80	451.80	451.80	-	-
Other financial assets	-	-	557.24	557.24	-	-	557.24
Total	**-**	**-**	**11,073.87**	**11,073.87**	**451.80**	**-**	**7,982.12**
Financial liabilities							
Trade payables *	-	-	164.04	164.04	-	-	-
Debt securities	-	-	1,329.12	1,329.12	-	-	1,329.12
Borrowing other than debt securities	-	-	5,466.80	5,466.80	-	-	5,466.80
Subordinated liabilities	-	-	3,000.00	3,000.00	-	-	3,000.00
Lease liabilities	-	-	123.58	123.58	-	-	123.58
Other financial liabilities *	-	-	455.26	455.26	-	-	455.26
Total	**-**	**-**	**10,538.80**	**10,538.80**	**-**	**-**	**10,374.76**
As at 31 March 2021							
Financial assets							
Cash and cash equivalent *	-	-	1,635.18	1,635.18	-	-	-
Bank balances other than cash and cash eq	-	-	771.27	771.27	-	-	-
Trade receivables *	-	-	3.82	3.82	-	-	-
Loans and advances to customers	-	-	17,362.81	17,362.81	-	-	17,362.81
Other financial assets	-	-	770.92	770.92	-	-	770.92
Total	**-**	**-**	**20,544.00**	**20,544.00**	**-**	**-**	**18,133.73**
Financial liabilities							
Trade payables *	-	-	134.47	134.47	-	-	-
Debt securities	-	-	2,666.67	2,666.67	-	-	2,666.67
Borrowing other than debt securities	-	-	11,475.81	11,475.81	-	-	11,475.81
Subordinated liabilities	-	-	3,000.00	3,000.00	-	-	3,000.00
Lease liabilities	-	-	174.23	174.23	-	-	174.23
Other financial liabilities *	-	-	600.82	600.82	-	-	600.82
Total	**-**	**-**	**18,052.00**	**18,052.00**	**-**	**-**	**17,917.53**

* The carrying value of cash and cash equivalent, Bank balance other than cash and cash equivalent, trade receivables, trade payables and other financial liabilities approximates the fair value, due to their short-term nature except for security deposits for which fair value is computed at amortised cost.

37.2 Measurement of fair values

The finance department of the Company includes personel that performs the valuation of the financial assets and liabilities required for financial reporting purpose, including level 3 fair value. This team reports directly to the Chairman cum Managing Director.

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The categories used are as follows:

Level 1 : Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices in active markets that the Company has the ability to access for the identical assets or liabilities. A financial instrument is classified as a Level 1 measurement if it is listed on an exchange. This includes traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued at the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in Level 2.

Level 3 : If one or more of the significant inputs is not based in observable market data, the instruments is included in Level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments not measured at fair value

Instrument type	Valuation technique
Loans	The fair values of loans and receivables are calculated using a portfolio-based approach, grouping loans as far as possible into homogenous groups based on similar characteristics. The fair value is then extrapolated to the portfolio using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. This fair value is then reduced by impairment allowance which is already calculated incorporating probability of defaults and loss given defaults to arrive at fair value net of risk.
Other financial assets	The fair value of other financial assets, including the fair value of gain on sale of receivable calculated on the basis of discounted cash flow model and for the purpose of disclosures are classified under Level 3. The discount rates are based on current available yields in the market to the Company.
Debt securities, Borrowings other than debt securities and Subordinated liabilities	The fair values of the Company's borrowings and other debt securities are calculated based on a discounted cash flow model and for the purpose of disclosures are classified under Level 3. The discount rates were based on the available interest rates in the market.
Other financial liabilities	The fair value of other financial liabilities includes the lease liability as other than the lease liabilities are short term in nature, hence lease liabilities are calculated on the basis of discounted cash flow model and for the purpose of disclosures are classified under Level 3. The discount rates are based on current available yields in the market to the Company.

Transfers between Level 3

There were no changes in the classification and no significant movements between the fair value hierarchy classifications of assets and liabilities during the year ended 31 March 2022 and 31 March 2021.

[This space has been left blank intentionally]

38 Related Party Disclosure

a) List of related parties

Name of Related Party	Nature of Relationship
Accion Africa Asia Investment Company	Entities in respect of which the Company is an associate
Paragati India Fund Limited	Entities in respect of which the Company is an associate
Shashi Ranjan Sinha	Chairman cum Managing Director
Rashmi Sinha	Whole Time Director
Vishwanath Prasad Singh	Independent Director
Shaibal Gupta	Independent Director *(effective upto March 20, 2020)*
Carlos Eduardo Castello	Independent Director
Ashutosh Binayake Mahendra	Nominee Director
John Henry Fischer	Nominee Director
Samir Amrit Shah	Nominee Director *w.e.f. October 27, 2021*
Saija Consultants Private Limited	Enterprises over which KMP and their relatives exercise significant influence
Saija Management and Employee Welfare Trust	Enterprises over which KMP and their relatives exercise significant influence
Dvara Kshetriya Gramin Financial Services Private Limited	Enterprises over which KMP and their relatives exercise significant influence

b) Transactions with Related Parties (Including bifurcation of material transaction)

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Shashi Ranjan Sinha	Chairman cum Managing Director	Short Term Employee Benefits	48.00	48.00
Rashmi Sinha	Whole Time Director	Short Term Employee Benefits	42.00	42.00
Saija Consultants Private Limited	Enterprises over which KMP and relatives of such personnel exercise significant influence	Commission Income	-	0.25
Dvara Kshetriya Gramin Financial Services Private Limited	Enterprises over which KMP and relatives of such personnel exercise significant influence	Retainership Fees	53.41	-
		Income from BC Transaction	30.84	-
		Disbursement Under BC Model	3,185.05	-
		Collection Under BC Model	81.33	-
		Interest Income on Security Deposits	0.07	-

c) Year end balances of related parties

Name of Related Party	Nature of Balance	As At March 31, 2022	As At April 01, 2021
Shashi Ranjan Sinha	Employee Benefits Payables	2.84	8.95
Rashmi Sinha	Employee Benefits Payables	2.64	8.61
Shashi Ranjan Sinha and Rashmi Sinha	Personal guarantee outstanding	2,970.96	4,835.00
Accion Africa Asia Investment Company	Other Receivables	1.28	1.28
Dvara Kshetriya Gramin Financial Services Private Limited	Other Receivables	2.17	-
	Trade Receivable	36.39	-
	Trade Payable	7.00	-
	Security Deposit Recoverable	179.62	-
	Portfolio Under BC Model	3,143.57	-
Saija Consultants Private Limited	Trade Payable	2.29	-
	Trade Receivable	-	3.82
Saija Management and Employee Welfare Trust	Loan receivable	680.92	680.92

d) Terms and conditions of transactions with related parties

(i) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(ii) The Managing Director and the whole time director has given their personal gurantee against loan taken from various lenders.

(iii) The remuneration of Key Managerial Personnel does not include amount in respect of Gratuity and Leave Encashment payable as the same are not determinable as individual basis for the KMP. The aforesaid liabilities of Gratuity and Leave Encashment are provided for company as whole.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

39 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.
Loans is net of impairment loss allownace on loans.

ASSETS

Particulars	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	1,564.32	-	1,564.32	1,635.17	-	1,635.17
Bank Balance other than cash and cash equivaler	929.88	145.75	1,075.63	172.01	599.26	771.27
Trade receivables	36.39	-	36.39	3.82	-	3.82
Loans	5,341.12	2,201.69	7,542.81	13,024.36	4,338.45	17,362.81
Investments	451.80		451.80	-	-	-
Other financial assets	557.24	-	557.24	647.67	123.25	770.92
Non-financial Assets						
Current tax assets (net)	-	57.43	57.43	-	114.01	114.01
Deferred tax assets (net)	-	442.55	442.55	-	442.55	442.55
Property, plant and equipment	-	56.43	56.43	-	53.30	53.30
Right-of-use assets	-	102.97	102.97	-	170.91	170.91
Intangible assets	-	48.30	48.30	-	29.22	29.22
Other non-financial assets	162.32	-	162.32	171.12	-	171.12
Total Assets	**9,043.05**	**3,055.12**	**12,098.18**	**15,654.14**	**5,870.94**	**21,525.08**

LIABILITIES

Financial Liabilities

Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	164.04	-	164.04	134.48	-	134.48
Debt securities	1,329.12	-	1,329.12	-	2,666.67	2,666.67
Borrowings (other than debt securities)	2,911.22	2,555.58	5,466.80	7,983.11	3,492.70	11,475.80
Subordinated liabilities	1,500.00	1,500.00	3,000.00	-	3,000.00	3,000.00
Impairment Loss Allowance (Standard Assets)	154.32	-	154.32			
Lease liabilities	75.03	48.55	123.58	75.03	99.19	174.23
Other financial liabilities	455.26	-	455.26	600.82	-	600.82
				-		
Non-financial liabilities				-		
Current tax liabilities (net)	-	-	-	-	-	-
Provisions	28.38	63.07	91.45	53.24	28.97	82.21
Other non-financial liabilities	34.28	-	34.28	27.62	-	27.62
Total liabilities	**6,651.64**	**4,167.20**	**10,818.84**	**8,874.31**	**9,287.53**	**18,161.82**
Net assets	**2,391.42**	**(1,112.07)**	**1,279.35**	**6,779.84**	**(3,416.59)**	**3,363.26**

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

40 Transfer of financial assets

40.1 Transferred financial assets that are not derecognised in their entirety

The Company transfers its receivables source of securitization agreement with a first loss default guarantee (FLDG). The Company has also agreed to provide servicing assistance to the transferee pursuant to the terms of servicing agreement.

As per previous GAAP, the above loans were derecognized as they satisfied the true sale criteria.

Under Ind AS, the Company continues to recognize its receivables in its entirety in the balance sheet because it retains credit risk on the receivables transferred (due to FLDG). Hence, the Company continues to recognize its receivables in its books of accounts and cash received on securitisation is recognized as an associated liability.

The following table sets out the carrying amount of the financial assets transferred that are not derecognized in their entirety and associated liabilities:

Paticulars	As at 31 March 2022	As at 31 March 2021
Carrying amount of assets	1,177.31	2,011.23
Carrying amount of associated liabilities	1,088.31	1,955.84
Fair value of assets (A)	1,177.31	2,011.23
Fair value of associated liabilities (B)	1,088.31	1,955.84
Net position at fair value (A-B)	**88.99**	**55.39**

The carrying value of assets and liabilities approximates the fair value, due to their short-term nature.

41 Capital Management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate. The Company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio of the Company.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI), As per RBI, NBFCs are required to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of its aggregate risk weighted assets. Further, the total of Tier II capital cannot exceed 100% of Tier I capital at any point of time. The capital management process of the Company ensures to maintain the minimum CRAR at all the times.

The primary objectives of the Company's capital management policy are to ensure that the Company complies with capital requirements required by regulator, maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value. Refer note 49.1 for regulatory capital.

42 Expenditure in foreign currency (on accrual basis):

The Company does not have any foreign currency exposure and/or derivatives during the year and as at balance sheet date and has not incurred any expenditure during the current year and previous year other then detailed below:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Directors sitting fee	12.05	5.30

43 Disclosure relating to assignment transactions :

During the current year and previous year the Company has sold loans through assignment. The information on assignment activity of the Company as an originator is as shown below:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Total number of loans assigned	508	-
Total book value of loans assigned	232.05	-
Sale consideration received for loans assigned	197.25	-
Principal outstanding of loans assigned	379.72	423.44
Additonal Consideration realized in respect of account transferred in earlier year	-	-
Credit enhancements provided and outstanding (gross):		
-Cash collateral	-	-

44 Disclosure relating to securitisation :

During the current year and previous year the Company has sold loans through securitisation. The information on securitisation activity of the Company as an originator is as shown below:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Total number of loans securitised	5,205	10,632
Total book value of loans securitised	1,457.48	2,468.84
Sale consideration received for loans securitised	1,311.73	2,237.53
Principal outstanding of loans securitised	1,177.31	2,011.23
Additonal Consideration realized in respect of account transferred in earlier year	-	-
Credit enhancements provided and outstanding (Gross):		
-Cash collateral	145.75	246.88

Disclosure as per RBI Direction:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
No. of SPVs sponsored by the NBFC for securitisation transactions during the year	3.00	2.00
Total amount of securitised assets as per the books of the SPVs sponsored by the NBFC as on the date of balance sheet:	1,088.31	2,208.01
Total amount of exposures retained by the NBFC to comply with minimum retention requirement ('MRR') as on the date of balance sheet:		
a) Off balance sheet exposures		
-First loss	-	-
-Others	-	-
b) On balance sheet exposures		
-First loss	-	-
-Others	145.75	231.32
Amount of exposures to securitisation transactions other than MRR:		
a) Off balance sheet exposures		
-First loss	-	-
-Others	-	-
b) On balance sheet exposures		
-First loss	145.75	246.88
-Others	-	-

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

45 Retirement benefit plan

45.1 Defined contribution plan

The Company makes periodic contribution towards provident fund and Employee state insurance scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the consolidated statement of profit and loss as they accrue. The amount recognized as expense towards such contributions are as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Employer's contribution to provident fund	84.14	88.96
Employer's contribution to employee state insurance	22.40	24.24
	106.55	**113.20**

45.2 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to government administered provident fund scheme which is a defined contribution plan. 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.

45.3 Defined benefit plan

The Company provides for gratuity, a defined benefit plan covering eligible employees. Gratuity is covered under scheme administered by Life Insurance Corporation of India and the contributions made by the Company to the scheme are recognised in the Statement of Profit and Loss. The liability recognised in the Balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets. The calculation of the Company's obligation under the plan is performed annually by qualified independent actuary using the projected unit credit method. The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2022 and 31 March 2021:

i) Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability and its components:

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Balance at the beginning of the year	93.79	58.93
Included in statement of profit and loss account :		
Current service cost	27.00	17.34
Interest expense	5.29	3.48
Benefits paid	(17.36)	(8.13)
	108.72	**71.62**
Remeasurement gains/(losses) in other comprehensive income (OCI)		
Actuarial loss/(gain) arising from :		
- demographic assumptions	-	-
- financial assumptions	(1.83)	0.98
- experience adjustment	(5.54)	21.19
	(7.37)	**22.17**
Other		
Contributions paid by the employer	-	-
Balance at the end of the year	**101.35**	**93.79**

ii) Reconciliation of plan assets

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Opening value of plan assets	17.23	24.18
Interest Income	1.48	1.85
Subtotal	**18.71**	**26.03**
Return on plan assets excluding amounts included in interest income	3.12	(0.67)
Subtotal	**21.83**	**25.36**
Contributions by employer	12.78	-
Banefits paid	(17.36)	(8.13)
Closing value of plan assets	**17.25**	**17.23**
Net defined benefit liability	**84.09**	**76.56**

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

ii) Expense recognised in statement of profit and loss account :

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	27.00	17.34
Net interest expense/ (income)	3.81	1.63
Total	**30.81**	**18.97**

iii) Expense recognised in Other comprehensive income/ (loss):

Particulars	As at 31 March 2022	As at 31 March 2021
Remeasurement gains/(losses)		
Actuarial loss (gain)/arising from :		
- demographic assumptions	-	-
- financial assumptions	1.83	(0.98)
- experience adjustment	5.54	(21.19)
Return on plan assets excluding amounts included in interest income	3.12	(0.67)
Total	**10.50**	**(22.84)**

iv) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at 31 March 2022	As at 31 March 2021
Discount rate	6.40% p.a.	6.05% p.a.
Withdrawal rate		
25 years & below	25.00%	25.00%
25 years to 35 years	25.00%	25.00%
35 years to 45 years	20.00%	20.00%
45 years to 55 years	15.00%	15.00%
55 years & above	20.00%	20.00%
Mortality (% of IALM 12-14)		
Retirement age (years)	58	58
Future salary growth*	10.00% p.a.	10.00% p.a.
Weighted average duration (years)	4.55	4.54
Rate of return on plan assets	6.40% p.a.	6.05% p.a.

*The estimate of future salary increase considered in actuarial valuation take account of inflation, seniority, promotion and relevant factors such as supply and demand in the employment market etc.

v) Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting

	As at 31 March 2022	As at 31 March 2021
Discount rate sensitivity		
Increase by 0.5%	98.85	91.39
% change	(2.47%)	(2.56%)
Decrease by 0.5%	103.99	96.33
% change	2.60%	2.70%
Salary growth rate sensitivity		
Increase by 0.5%	103.75	96.10
% change	2.37%	2.46%
Decrease by 0.5%	99.01	91.56
% change	(2.31%)	(2.38%)

Withdrawal rate sensitivity		
W.R. x 110%	97.99	90.12
% change	(3.32%)	(3.92%)
W.R. x 90%	105.15	97.98
% change	3.75%	4.46%

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

vi) Expected contribution during the next annual reporting period

The expected contribution for the next year is Rs. 26.49 Lakhs (March 31, 2021 : Rs 26.99 lakhs)

vii) Expected maturity analysis of the defined benefit plans in future years (valued on undiscounted basis)

Duration (years)	**As at 31 March 2022**		**As at 31 March 2021**	
	Amount	**%**	**Amount**	**%**
Year 1 cashflow	15.10	10.10%	12.68	9.30%
Year 2 cashflow	14.21	9.50%	13.07	9.60%
Year 3 cashflow	14.44	9.70%	12.30	9.00%
Year 4 cashflow	13.23	8.90%	12.56	9.20%
Year 5 cashflow	12.27	8.20%	11.52	8.40%
Year 6 to year 10 cashflow	41.55	27.80%	38.15	27.90%

The Company expects to contribute Rs. 26.49 Lakhs to the fund in the next financial year (31 March 2021: Rs. 26.99 Lakhs).The weighted average duration of the defined benefit obligation as at 31 March 2022 is 4.55 years (31 March 2021: 4.54 years)

45.4 Other long term employee benefit plan

The Company operates compensated absences plan, where in every employee is entitled to the benefit equivalent to 15 days leave salary for every completed year of service subject to maximum 60 accumulation of leaves. The salary for calculation of earned leave is last drawn salary.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

46 Risk Management

46.1 Introduction and risk profile

This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

46.1.1 Risk management structure and Company's risk profile.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee. The Risk Management committee of Board exercises supervisory power in connection with the risk management of the Company, developing and monitoring risk management policies, monitoring of the exposures, reviewing adequacy of risk management process, ensuring compliance with the statutory/regulatory framework of the risk management process."

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Management believes that an effective Risk Management Process is the key to sustained operations thereby protecting value for all stakeholders , identifying and mitigating and continuously monitoring risks to business, achieving business objectives, improving governance processes and preparing for unplanned circumstances. Management ensures effective Risk Management by implementing following steps:

1. Adheres to procedures described in various policies approved by the Board from time to time by implementing adequate financial
2. Communicates various policies to the stakeholders through suitable training and communication and periodical review of its relevance in changing business atmosphere.
3. Identifies risks and promotes proactive approach for treating such risks.
4. Allocates adequate and timely resources to mitigate, manage and minimize the risks and their adverse impact on outcomes.
5. Strives towards strengthening the Risk Management System through continuous learning and improvement.
6. Complies with all relevant laws and regulations across the areas of operations of the Company.
7. Optimizes risk situations to manage adverse exposure on deliverables and bring them in line with acceptable risk appetite of the Company in consonance with business objectives.
8. Engages Internal Auditors to periodically review various aspects of the internal control systems. The reports of the internal auditors are reviewed by the Audit Committee.
9. The Company has implemented adequate internal financial controls.
10. The Company has a Board approved ALM Policy

46.2 Credit Risk

Credit risk arises from loans, cash and cash equivalents, bank balance other than cash and cash equivalents, investments and other financial assets. Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's asset on finance and trade receivables from customers; loans and investments. The carrying amounts of financial assets represent the maximum credit risk exposure.

a) Credit risk management

Financial assets measured on a collective basis

The Company splits its exposure into smaller homogeneous portfolios, based on shared credit risk characteristics, as described below in the following order:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;

The risk management committee has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. Portfolio review is performed every quarter and is reviewed by the management on quarterly basis.

(b) Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. Following indicators are incorporated:

- DPD analysis as on each reporting date
- significant changes in expected performance and behavior of the borrower including changes in payment status of borrowers.

(c) Probability of default (PD)

Day past dues (DPD) analysis is the preliminary inputs in the determination of the term structure of DPD for exposures. The Company collects performance and default information about its credit risk exposures analyzed by region, type of product, borrowers as well as by DPD. The Company analyze the data collected and generate estimates of the PD of exposures and how these are expected to change as result of passage of time.

(d) Exposure of default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

(f) Significant increase in credit risk

The Company continuously monitor all the assets subject to ECL in order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or life time ECL, the Company assesses whether there has been significant increase in credit risk since initial recognition. The Company also applies a secondary qualitative methods for triggering a significant increase in credit risk for an asset, such as moving customer/ facilities to the watch list, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than one month overdue, the credit risk is deemed to have increase significantly since initial recognition. The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

(g) Expected credit loss on loans

The Company assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, date of initial recognition, remaining term to maturity, collateral type, and other relevant factors.

The Company considers defaulted assets as those which are contractually past due 90 days, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually past due 30 days but less than 90 days are classified under Stage 2. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the statistical models and other historical data.

46.2.1 Inputs, assumptions and estimation techniques used to determine expected credit loss

The Company's loan loss provision are made on the basis of the Company's historical loss experience and future expected credit loss, after factoring in various macro-economic parameters such as Domestic Credit Growth (% change YoY) and Real GDP Growth (% change YoY). The selection of these variables was made purely based on business sense. The macro- economic variables were regressed using a regression model against the logodds of the weighted average PD's to forecast the forward-looking PD's with macro-economic overlay incorporated. Best, base and worst scenarios were created for all the variables and default rates were estimated for all the scenarios. These default rates were then used with the same LGD and EAD to arrive at the expected credit loss for all three cases. The three cases were then assigned weights and a final probability-weighted expected credit loss estimate was computed

46.2.2 The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of liquidity and going concern assumption, the recoverability of carrying amounts of financial and non-financial assets. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The Company will continue to monitor future economic conditions and its consequent impact on the business operations, given the uncertain nature of the pandemic.

Saija Finance Private Limited

Notes to financial statements for the year e

(All amount is Rupees lakh unless otherwise stated)

46.2.3 Analysis of portfolio

An analysis of changes in gross carrying amou

Particulars	
Gross carrying amount opening balance	
New assets originated (refer note 'a' and 'b' below)	
Assets repaid (excluding write offs) (refer note 'b' below)	
Transfers to Stage 1	
Transfers to Stage 2	
Transfers to Stage 3	
Amounts written off	
Gross carrying amount closing balance	

Reconciliation of Impairment loss allowance in rela

Particulars	
Impairment allowance- opening balance	
New assets originated (refer note 'a', 'b' and 'c' below)	
Effect of change in estimate/repayment	
Transfers to Stage 1	
Transfers to Stage 2	
Transfers to Stage 3	
Impairment allowance- Closing balance	

An analysis of Expected credit loss rate:

Particulars	
Expected credit loss rate*	

* Expected credit loss rate is computed ECL divide

Notes:

a) New assets originated represents fresh disbursals

b) Assets originated and repaid during the year have

c) The contractual amount of financial assets that ha was Rs. 3185.52 (31 March 2021 Rs. 1099.84)

d) The Company recognize expected credit loss (EC Expected credit loss (ECL) has decreased from R portfoio and increase in written off.

46.3 Liquidity risk and funding management

Liquidity risk is risk that the Company will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its financial liabilities when they are due, under both normal and stressed condition in a timely manner, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has obtained fund based working capital loans from various banks. Further, the Company has access to funds from debt market through non-convertible debentures and other debt instruments including term loans. Short term facilities including cash credits and working capital demand loans are renewed on yearly basis and are revolving in nature. The Company also manages liquidity by raising funds through securitization transaction.

The Company uses debt funds and fixed deposit receipts to manage/ invest its available surplus.

The Asset Liability Management Committee (ALCO) of the Company defines its risk management strategy and set the overall policies and procedures. The Liquidity risk management strategies are reviewed by the ALCO to align with changes to the external environments, including regulatory changes, business conditions and market developments.

46.3.1 Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31 March 2022 and 31 March 2021.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history

As at 31 March 2022	Less than 1 year	1 to 5 years	Over 5 years	Total
Financial liabilties				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	164.04	-	-	164.04
Debt securities	1,333.33	-	-	1,329.12
Borrowings (Other than debt securities)*	3,010.70	2,470.77	-	5,481.47
Subordinated Liabilities	1,500.00	1,500.00	-	3,000.00
Lease liabilities	61.28	62.31	-	123.58
Other financial liabilities	455.26	-	-	455.26
Total undiscounted financial liabilities	**6,524.61**	**4,033.07**	**-**	**10,553.46**

	Less than 1 year	1 to 5 years	Over 5 years	Total
Financial assets				
Cash and cash equivalents	2,281.56	-	-	1,564.32
Bank Balance other than cash and cash equivalents	929.88	145.75	-	1,075.63
Trade Receivables	36.39	-	-	36.39
Loans	5,186.80	2,201.69	-	7,388.49
Investment	451.80			451.80
Other financial assets	1,048.14	-	-	557.24
Total undiscounted financial assets*	**9,934.57**	**2,347.44**	**-**	**11,073.87**

As at 31 March 2021				
Financial liabilties				
Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises; and	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	134.48	-	-	134.47
Debt securities	-	2,666.67	-	2,666.67
Borrowings (other than debt securities)*	7,983.11	3,532.89	-	11,516.00
Subordinated liabilities	-	3,000.00	-	3,000.00
Lease liabilities	75.03	99.19	-	174.23
Other financial liabilities	600.82	-	-	600.82
Total undiscounted financial liabilities	**8,793.44**	**9,298.74**		**18,092.19**

S.R. DINODIA & CO. CHARTERED ACCOUNTANTS

As at 31 March 2021	Less than 1 year	1 to 5 years	Over 5 years	Total
Financial assets				
Cash and cash equivalents	1,635.18	-	-	1,635.18
Bank Balance other than cash and cash equivalents	172.01	599.26	-	771.27
Trade Receivables	3.82	-	-	3.82
Loans	13,024.36	4,338.45	-	17,362.81
Investment	-			-
Other financial assets	647.67	123.25	-	770.92
Total undiscounted financial assets*	**15,483.04**	**5,060.96**	-	**20,544.00**

*Contractual cashflows for borrowing (other than debt securities) does not includes adjustment towards EIR

46.4 Market risk

Market Risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.The Company's does not have any significant market exposures.

46.5 Interest rate risk

Interest rate risk consists primarily of risk inherent in ALM activities and relates to the potential adverse impact of changes in market interest rates on future Net Interest Income (NII). Interest rate risk arises from mismatches in re-pricing of interest rate sensitive assets (RSA) and rate sensitive liabilities (RSL).

The Board of Directors of the Company is responsible for management of its interest rate risk and sets the overall policy and risk limits. In order to manage/mitigate interest rate risk, the Company has defined interest rate sensitive gap tolerance limits for each time bucket which is approved by the Board. Treasury is entrusted with the responsibility of managing interest rate risk within the prescribed overall risk limits and the same is monitored by ALCO. Further, the Company undertakes NII analysis to assess the impact of changes in interest rate on the earnings of the Company.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows.

Particulars	As at 31 March 2022	As at 31 March 2021
Fixed-rate instruments		
Financial assets	8,268.57	20,996.61
Financial liabilities	3,608.33	10,028.72
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	6,187.59	7,113.75

The above disclosure includes loans under the head "financial assets", Borrowings(other than debt securities), debt securities and subordinated liabilities under the head "financial liabilities".

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable rate instruments				
Cash flow sensitivity	61.88	(61.88)	71.14	(71.14)

46.6 Currency risk

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company's does not have any foreign currency exposures.

47 Following disclosure of details as required in terms of Annexure XIV of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time.

47.1 Capital

Sr. No.	Particulars	As at 31 March 2022	As at 31 March 2021
(i)	Capital to Risk Asset Ratio (CRAR (%))	13.03%	20.45%
(ii)	CRAR - Tier I Capital (%)	8.78%	13.80%
(iii)	CRAR - Tier II Capital (%)	4.25%	6.65%
(iv)	Amount of subordinated debt raised as Tier-II capital	-	-
(v)	Amount raised by issue of perpetual debt instruments	-	-

Note

a) Book value of the risk weighted assets are considered as net of related provision.

47.2 Investments

The Company has an investment outstanding as at 31 March 2022 - Rs. 451.8 and 31 March 2021 - Nil

47.3 Derivatives

The Company has not entered into any derivatives contract (forward rate agreement/interest rate swap/exchage traded interest rate) during the year ended 31 March 2022 and 31 March 2021.

47.4 Details of non-performing financial assets purchased / sold

The Company did not purchase/ sell any non-performing assets during the financial year ended 31 March 2022 and 31 March 2021.

47.5 Provision and Contingencies

Break up of 'Provisions and Contingencies' shown under the Profit and Loss Account'

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Impairment loss allowance on loan assets	(2741.54)	2310.00
Provision for income tax	3.74	6.97
Provision for gratuity	30.81	18.97
Provision for compensated absences	(0.20)	0.41
Total	**(2707.19)**	**2336.35**

[This space has been left blank intentionally]

47.6 Assets Liability Management maturity pattern of certain items of Assets ar

As at 31 March 2022

Particulars	Upto to 30/31 days	Over 1 M
Liabilities		
Deposits (Liabilities)	-	
Borrowings	540.34	
Foreign Currency Liabilities	-	
Assets		
Advances (Loan Book)(Gross) (refer note 1 below)	1,097.28	
Investments (net of provisions)	451.80	
Foreign Currency Assets	-	

Note 1 : The asset maturity pattern of non- performing customer is disclosed a as the life of such loans is within the period of 48 months .

As at 31 March 2021

Particulars	Upto to 30/31 days	Over 1 M
Liabilities		
Deposits (Liabilities)	-	
Borrowings	1,166.08	
Foreign Currency Liabilities	5.30	
Assets		
Advances (Loan Book)(Gross) (refer note 1 below)	1,663.78	
Investments (net of provisions)	-	
Foreign Currency Assets	-	

Note 1 : The asset maturity pattern of non- performing customer is disclosed a as the life of such loans is within the period of 48 months .

47.7 Exposures

The Company does not have any real estate or capital market exposure as at 31 March 2022 and as at 31 March 2021.

47.8 Details of financing of parent company products

Since there is no parent company, hence reporting on financing of parent company products is not applicable.

47.9 Details of Single Borrrower Limit(SGL)/ Group Borrower Limit(GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits during the financial year ended 31 March 2022 and 31 March 2021.

47.10 Unsecured advances

The Company has not given any unsecured advances wherein intangible collateral such as rights, licences, authority etc, have been taken

47.11 Registration obtained from other financial sector regulators

There are no registrations obtained from other financial sector regulators during the current year and previous year

47.12 Ratings assigned by credit rating agencies and migration of ratings during the year

S.No.	Instrument	Rating Agency	Rating	Outstanding as at 31 March 2022
1	Non Convertible Debentures	ICRA	BB+(Stable)	1,329.12
2	Non Convertible Debentures	Brickworks	BBB-(SO)	1,329.12
3	Non Convertible Debentures	Acuite	BBB-(Negative)	1,329.12
4	Long Term Bank Facility	Brickworks	BBB-(SO)	2,127.81

S.No.	Instrument	Rating Agency	Rating	Outstanding as at 31 March 2021
1	Non Convertible Debentures	ICRA	BB+(Stable)	1,666.67
2	Non Convertible Debentures	Brickworks	BBB-(SO)	2,666.67
3	Non Convertible Debentures	Acuite	BBB-(Negative)	1,666.67
4	Long Term Bank Facility	Brickworks	BBB-(SO)	10,000.00

47.13 Net Profit or Loss for the period, prior period items and changes in accounting policies

There is no prior period transaction during the current year and also there is no change in accounting policies during the current year and

47.14 Revenue recognition

There is no transaction in which revenue recognition has been postponed pending the resolution of significant uncertainties.

47.15 Draw down from reserves

During the current year and previous year, there has been no draw down from the statutory reserves.

47.16 Concentration of loans and advances

Particulars	As at 31 March 2022	As at 31 March 2021
Total advances to twenty largest borrowers	14.40	15.34
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.19%	0.09%

47.17 Concentration of exposures

Particulars	As at 31 March 2022	As at 31 March 2021
Total exposure to twenty largest borrowers	14.40	15.34
Percentage of exposures to twenty largest borrowers/customers to total exposures of the applicable NBFC on borrowers/customers	0.19%	0.09%

47.18 Concentration of NPAs

Particulars	As at 31 March 2022	As at 31 March 2021
Total exposure to top four NPA accounts	2.43	2.92

47.19 Sector-wise NPAs (Percentage of NPAs to Total Advances in that Sector)

S.No.	Sector	As at 31 March 2022	As at 31 March 2021
1	Agriculture and Allied Activities	3.02%	3.00%
2	Services	25.81%	5.75%
3	Retail Trade	23.98%	8.86%
4	Others	3.87%	0.30%

47.20 Movement of NPAs

Particulars			As at 31 March 2022	As at 31 March 2021
(i)	Net NPAs to Net Advances (%)		3.54%	1.36%
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	3,101.93	1,113.11
	(b)	Additions during the year	1,387.07	34.00
	(c)	Reductions during the year	-267.22	3,014.18
	(d)	Writte-off during the year	(3,185.52)	(1,059.36)
	(e)	**Closing balance**	**1,036.26**	**3,101.93**
(iii)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	2,866.51	924.24
	(b)	Additions during the year	694.95	21.78
	(c)	Reductions during the year	(2,787.01)	1,920.49
	(d)	Provisions written back during the year	-	-
	(e)	Closing balance	**774.45**	**2,866.51**
(iv)	Movement of Net NPAs			
	(a)	Opening balance	235.42	188.87
	(b)	Addition during the year	692.12	12.22
	(c)	Provisions written back during the year	-	-
	(d)	Reductions during the year	(665.73)	34.33
	(e)	Closing balance	**261.81**	**235.42**

47.21 Overseas assets

The Company does not hold any overseas asset during the current year and previous year

47.22 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The company does not have off-balance sheet SPVs sponsored during the current year and previous year

47.23 Disclosure with respect to Customer complaints

S.No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
a	No. of complaints pending at the beginning of the year	-	-
b	No. of complaints received during the year	996	317
c	No. of complaints redressed during the year	996	317
d	No. of complaints pending at the end of the year	-	-

47.24 Details of penalties imposed by RBI and other regulators

No penalties has been imposed by RBI and other regulators on the Company during the financial year ended 31 March 2022 and 31 March

47.25 The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.

47.26 Information on net interest margin

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest charged to customers (a)#	12.92	23.79
Average effective cost of borrowing (b)	12.78	14.92
Net Interest margin (a) - (b)	0.14	8.87

weighted average rate charged to customers on disbursement (owned portfolio) made during the year.

48 Information on instances of fraud

Nature of fraud	Amount of fraud	Recovery	Amount written off
Cash embezzlement/ cash theft/cash lost in transit	30.34	5.83	24.52
	(11.23)	(0.99)	(10.24)

(Figures in brackets indicate values for previous year)

During the current year, certain instances of misappropriation of cash collected from customers and other forms of embezzlement of cash by the employees, involving amounts aggregating to Rs.30.34 lakhs (previous Year 11.23 lakhs) were identified. The Company has recovered Rs. 5.83 lakhs (previous Year 0.99 lakhs) from these cases. The Company has since terminated the services of such employees and also initiated legal action against such employees. The Company as at year ended 31 March 2022 has made necessary write offs/ provisions in its books of accounts for the above effect.

S.R. DINGSHA & CO LLP CHARTERED ACCOUNTANTS

49 Schedule to the Balance Sheet of a Non-Banking Financial Company as required in terms of Paragraph 18 of Non-Banking Financial Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

	Particulars	As at 31 March 2022		As at 31 March 2021	
	Liabilities side:				
1	**Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:**	Amount in INR Outstanding	Amount in INR Overdue	Amount in INR Outstanding	Amount in INR Overdue
(a)	Debentures:				
	Secured	1,343.31	-	2,696.90	-
	Unsecured	-	-	-	-
	(Other than falling within the meaning of public deposits)	-	-	-	-
(b)	Deferred credits	-	-	-	-
(c)	Term loans	4,439.43	-	9,577.32	-
(d)	Inter corporate loans and borrowings	-	-	-	-
(e)	Commercial paper	-	-	-	-
(f)	Public deposits	-	-	-	-
(g)	Other loans (subordinate debt)	3,043.00		3,042.99	
	Total	**8,825.73**	-	**15,317.21**	-

	Assets side:	As at 31 March 2022	As at 31 March 2021
2	**Break-up of loans and advances including bills receivables {other than those included in (3) below}:**		
(a)	Secured		
(b)	Unsecured #	7,339.85	17,326.34
	Total	**7,339.85**	**17,326.34**

Comprises of Minimum retention requirement (relating to assignment transaction) loans to customers net of provisions for impairment loss allowance

3	Break-up of leased assets and stock on hire and hypothecation loans counting towards other assets counting	As at 31 March 2022	As at 31 March 2021
(i)	Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
(ii)	Stock on hire including hire charges, under sundry debtors:	-	-
	(a) Assets on hire	-	-
	(b) Repossessed stock	-	-
(iii)	Other Loans counting towards AFC activities:	-	-
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
	Total	-	-

4	Break-up of investments	Amount outstanding	Amount outstanding
	Current investments:		
1	**Quoted:**		
(i)	Shares:		
	(a) Equity	-	-
	(b)Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	451.80	-
(iv)	Government securities	-	-
(v)	Others (please specify)	-	-
2	**Unquoted:**		
(i)	Shares:		
	(a) Equity	-	-
	(b)Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities	-	-
(v)	Others (please specify)	-	-
	Long term investments:		
1	**Quoted:**		
(i)	Shares:		
	(a) Equity	-	-
	(b)Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities	-	-
(v)	Others (please specify)	-	-

2	**Unquoted:**			
	(i)	Shares:		
		(a) Equity	-	-
		(b)Preference	-	-
	(ii)	Debentures and bonds	-	-
	(iii)	Units of mutual funds	-	-
	(iv)	Government securities	-	-
	(v)	Others (please specify)	-	-
		Total	-	-

5	**Borrower group wise classification of all assets financed as in (2) and (3) above :**						
	Category	**Amount net of provisions As at 31 March 2022**			**Amount net of provisions As at 31 March 2021**		
		Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
	1 Related Parties:						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
	2 Other than related parties	-	7,339.85	7,339.85	-	17,326.34	17,326.34
	Total	-	**7,339.85**	**7,339.85**	-	**17,326.34**	**17,326.34**

6 Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

	As at 31 March 2022		**As at 31 March 2021**	
Category	**Market value/ Break-up or Fair value or NAV**	**Book value (net of Provisions)**	**Market Value/ Break-up or Fair Value or NAV**	**Book value (net of Provisions)**
1 Related Parties:				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2 Other than related parties	451.80	451.80	-	-
Total	**451.80**	**451.80**	-	-

7	**Other Information**	**As at 31 March 2022**	**As at 31 March 2021**
	(i) Gross Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	1,036.26	3,101.93
	(ii) Net Non-Performing Assets		
	(a) Related parties	-	-
	(b) Other than related parties	261.83	235.42
	(ii)Assets acquired in satisfaction of debts (net of provisions)	-	-

Note : The provision for non-performing assets has been reduced from the overall provision created by the Company, to arrive at contingent provision for standard asset.

S.R. DINODIA & CO. LLP CHARTERED ACCOUNTANTS

[This space has been left blank intentionally]

50 Comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 :

As at 31 March 2022

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	6,882.98	61.76	6,821.21	26.08	35.68
	Stage 2	349.33	92.55	256.78	1.36	91.19
Subtotal		**7,232.31**	**154.31**	**7,078.00**	**27.45**	**126.87**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,036.27	774.45	261.82	408.02	366.43
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,036.27**	**774.45**	**261.82**	**408.02**	**366.43**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**6,882.98**	**61.76**	**6,821.21**	**26.08**	**35.68**
	Stage 2	**349.33**	**92.55**	**256.78**	**1.36**	**91.19**
	Stage 3	**1,036.27**	**774.45**	**261.82**	**408.02**	**366.43**
	Total	**8,268.58**	**928.77**	**7,339.81**	**435.47**	**493.30**

As at 31 March 2021

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						hbr
Standard	Stage 1	16,331.73	310.73	16,020.99	65.08	245.66
	Stage 2	1,562.95	493.00	1,069.95	4.94	488.06
Subtotal		**17,894.68**	**803.74**	**17,090.94**	**70.02**	**733.72**
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,101.93	2,866.51	235.42	1,050.13	1,816.39
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**3,101.93**	**2,866.51**	**235.42**	**1,050.13**	**1,816.39**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**16,331.73**	**310.73**	**16,020.99**	**65.08**	**245.66**
	Stage 2	**1,562.95**	**493.00**	**1,069.95**	**4.94**	**488.06**
	Stage 3	**3,101.93**	**2,866.51**	**235.42**	**1,050.13**	**1,816.39**
	Total	**20,996.61**	**3,670.24**	**17,326.36**	**1,120.15**	**2,550.11**

51 **Disclosure of restructured accounts**

As at March 31, 2022

S.No	Type of Restructuring Asset Classification Details		Others					Total				
			Stand-ard	Sub-Standard	Doubt-ful	Loss	Total	Stand-ard	Sub-Standard	Doubt-ful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable))	No. of Borrowers*	3,123	955	-	-	4,078	3,123.00	955.00	-	-	4,078.00
		Amount Outstanding	781.26	247.82	-	-	1,029.08	781.26	247.82	-	-	1,029.08
		Provision thereon	546.88	173.47	-	-	720.35	546.88	173.47	-	-	720.35
2	Fresh restructuring during the year	No. of Borrowers*	5,831	5,941	-	-	11,772	5,831	5,941	-	-	11,772
		Amount Outstanding	1,066.42	1,398.19	-	-	2,464.61	1,066.42	1,398.19	-	-	2,464.61
		Provision thereon	14.40	872.89	-	-	887.29	14.40	872.89	-	-	887.29
3	Upgradations to restructured standard category during the FY	No. of Borrowers*	1,175	(1,175)	-	-	-	1175	(1175)	-	-	-
		Amount Outstanding	147.99	-288.37	-	-	(140.38)	147.99	(288.37)	-	-	(140.38)
		Provision thereon	2.00	-180.03	-	-	(178.03)	2.00	(180.03)	-	-	(178.03)
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers*	(4,734)	(1,360.00)	-	-	(6,094)	(4734)	(1360)	-	-	(6094)
		Amount Outstanding	(1325.56)	(385.01)	-	-	(1710.57)	(1325.56)	(385.01)	-	-	(1710.57)
		Provision thereon	(17.90)	(240.36)	-	-	(258.26)	(17.90)	(240.36)	-	-	(258.26)
5	Downgradations of restructured accounts during the FY (net of receipt during the year)	No. of Borrowers*	(1,265)	1,265	-	-	- .00	(1265)	1265	-	-	-
		Amount Outstanding	(236.17)	178.32	-	-	(57.85)	(236.17)	178.32	-	-	(57.85)
		Provision thereon	(3.19)	111.33	-	-	108.14	(3.19)	111.33	-	-	108.14
6	Write-offs of restructured accounts during the FY	No. of Borrowers*	(321)	(1,778)	-	-	(2,099)	(321)	(1,778)	-	-	-2,099
		Amount Outstanding	(64)	(423.38)	-	-	(487.38)	(64.00)	(423.38)	-	-	-487.38
		Provision thereon	(0.86)	(264.32)	-	-	(265.18)	(0.86)	(264.32)	-	-	-265.18
7	Restructured Accounts as on March 31 of the FY (closing figures excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable))	No. of Borrowers*	3,809	3,848	-	-	7,657.00	3,809.00	3,848.00	-	-	7,657.00
		Amount Outstanding	369.94	727.57	-	-	1,097.51	369.94	727.57	-	-	1,097.51
		Provision thereon	4.99	454.22	-	-	459.21	4.99	454.22	-	-	459.21

* Number of borrowers are in absolute Numbers

52 Disclosure of Analytical Ratios

S.No	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance (if above 25%)
1	Capital to risk-weighted assets ratio (CRAR)	Total of Tier I Capital & Tier II Capital	Total Risk weighted assets	13.03%	20.45%	(36.30%)	Due to significant losses in the current year
2	Tier I CRAR	Tier I Capital	Total Risk weighted assets	8.78%	13.80%	(36.40%)	Due to significant losses in the current year
3	Tier II CRAR	Tier II Capital	Total Risk weighted assets	4.25%	6.65%	(36.08%)	Due to repayment of sub-debts which is a main component of Tier II Capital
4	Liquidity Coverage Ratio.	High Quality Liquid Assets	Net Cash Flow over subsequent 30 Days	2.21	3.32	(33.43%)	Net cash inflow over subsequent 30 days is higher as at Mar 2022 and the outflow towards debt repayment is lower due to significant lower financial liabilities compared to Mar 2021 position.

53 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

54 The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

55 There have been no events after the reporting date that requires desclosure in these financial statements.

***For* and on behalf of the Board of Directors of**
Saija Finance Private Limited

(S.R.Sinha)
Chairman cum Managing Director
DIN No.: 00917884
Place : New Delhi
Date : 26 May 2022

(Abhishek Agrawal)
Director
DIN No.: 06760344
Place : Mumbai
Date : 26 May 2022

(Deepika)
Company Secretary
Membership No.: FCS-11027
Place : New Delhi
Date : 26 May 2022

(Nilamani Mohanty)
Manager- F&A
PAN: AGEPN4298D
Place : New Delhi
Date : 26 May 2022

Board's Report

To,
The Members,
Saija Finance Private Limited

Your Directors take pleasure in presenting their Report on the business and operations of the Company and the financial statement for the Financial Year ended March 31, 2022.

Mission

Bringing innovative and transparent microfinance to millions in urban and rural India

Financial Results

The Financial performance for the year ended March 31, 2022 has been summarised in the following tables:

(Amount in INR in Lakh)

Particulars	**March 31,2022**	**March 31,2021**
Total Revenue	1919.24	6004.18
Less: Total Expenditure	4724.52	9247.70
Profit/(loss) Before Tax	(2805.28)	(3243.52)
Profit/(Loss) After Tax	(2809.02)	(3250.49)
Earnings Per Share (EPS)	(5.06)	(5.86)
Diluted EPS	(5.06)	(5.86)

Key Highlights for FY 2021-22

Operational Highlights

During the year, the total revenue of your Company stood at INR 1919.24 Lakhs as compared to INR 6004.18 Lakhs in Financial Year 2020-21 which represents 68.03% downfall in revenue. Your Company has posted loss of Rs. 2809.02 Lakhs for Financial Year 2021-22 as compared to loss after tax of Rs. 3250.49 Lakhs for the Financial Year 2020-21. The losses incurred are majorly due to COVID-19 related aspects and adverse business conditions.

The company raised INR 1010.00 lakhs of borrowings during the year. The company has made Securitization and Direct Assignments worth Rs 1590.00 lakhs during the year 2021-22.

The company raised INR 756.94 Lakhs from Dvara KGFS by issuing Compulsory Convertible Preference Shares to it.

Business Operations

- Decrease of AUM by 37% over the previous year 2020-21 from INR 195.9 Crores to INR 123.4 Crores in FY 2021-22.
- Disbursement during the year 2021-22 stood at INR 76.10 Crores as against 69.67 Crores in financial year 2020-21.
- The current total number of branches is same 101 as in the previous financial year.
- Total Active Loans in FY 2021-22 stands at 49,902 against total customers base at 95822 in FY 2020-21.

New initiatives undertaken during the year

- Business Correspondence (BC) with Dvara KGFS with AUM of Rs 31.82 Crores as on March 31, 2022
- Focus on digital collections- Unique QR code for a client, Airtel BBPS, digital repayments are now ~ 5% in March 22.
- Collection of written off portfolio through delinquency management initiatives of Rs. 3.75 Crores.
- Improvement in collection efficiency at 97.5 % as against 87.02% in the previous year.

Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No Material change and commitments affecting the financial position of the company occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

Change in the nature of business

There were no changes that occurred in the nature of business of the Company during the financial year under review.

Dividend

No dividend was declared during the Financial Year 2021-22.

Transfer to Reserve Fund

Pursuant to the RBI Directions, non-banking financial companies (NBFCs) are required to transfer a sum not less than 20 per cent of its net profit every year to reserve fund before declaration of any dividend. As there is no profit for the FY 2021-22, hence the Company has not transferred any amount to reserve fund for the year ended March 31, 2022.

Management Discussion and Analysis

The Management Discussion and Analysis [MD&A] Report, highlighting important aspects of the business are attached to this report as **Annexure IV**.

Energy conservation & technology absorption

As the Company is not carrying out any manufacturing activity the particulars prescribed under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with rules made there under is not Applicable. Details of foreign exchange earnings and foreign exchange expenditures are as below:

	FY 2021-22 (In INR Lakh)
Foreign Exchange Earnings	-
Foreign exchange expenditures	*12.05

**Director's sitting fee of Rs. 12.05 Lakhs was paid to an independent director*.

Information about the financial performance / financial position of the subsidiaries / associates/ joint ventures

There are no Subsidiary companies/ Associate companies/ Joint venture associated with the Company.

Significant & material orders passed by the regulators

There were no significant & material orders passed by the regulators during the Financial Year 2021-22.

RBI Norms and Accounting Standards

The Company complies with the directives issued as well as the norms prescribed by the Reserve Bank of India for NBFCs.

Risk Management

The Board of Directors have adopted a risk management policy i.e. Integrated Operations & Credit Risk Management (IOCRM)Framework for the Company which provides for identification, assessment and control of risks which in the opinion of the Board may pose significant loss or threat to the Company. The Management identifies and controls risks through a defined framework in terms of the aforesaid policy.

Internal Financial Controls

The Company has adequate internal controls and processes in place with respect to its operations, which provides reasonable assurance regarding the reliability of the preparation of financial statements and financial reporting as also functioning of other operations. These controls and processes are driven through various policies and procedures.

During the current year certain instances of Fraud of Rs. 30.34 Lakhs were reported by the Auditors. The Company has recovered Rs. 5.83 lakhs from some of the fraud employees. The company has terminated those employees and also initiated legal action against them. The Company as at end of Financial Year 2021-22 has made necessary write offs/provisions in its books of accounts for the above effects.

The company is taking measures to further strengthening its control environment to ensure timely identification and recording of embezzlements/misappropriation of cash if any.

The Company has implemented certain controls and recognizes that strengthening the internal control environment is an ongoing process.

The Extract of the Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the CA 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at March 31, 2022 in Form MGT-9 has been annexed as **Annexure - I** to the Directors' Report.

No. of Meetings of the Board

The details of the number of meetings of the Board of Directors have been provided in the **Annexure-II** dealing with Corporate Governance.

Director's Responsibility Statement

i) The Director's confirm that in the preparation of the annual accounts for the financial year ended 31st March 2022, the applicable accounting standards have been followed;

ii) The Directors have selected such accounting policies and applied them consistently, and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the losses incurred by the Company for the year under review;

iii) The Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the CA 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The Directors prepared annual accounts of the Company on a "going concern" basis;

v) The Directors laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

vi) The Directors devised proper systems to ensure compliance with the provision of all applicable laws, and that such systems are adequate and operating effectively.

Corporate Governance

The Company has adopted best corporate practices, and is committed to conducting its business in accordance with the applicable laws, rules and regulations. The Company follows the highest standards of business ethics. A report on Corporate Governance is appended to this report as **Annexure-II.**

Declaration by Independent Directors

The independent directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act, as amended. The independent directors have also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors. The Board took on record the declaration and confirmation submitted by the independent directors regarding them meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same in terms of the requirements of various rules & regulations as applicable.

Policy on Directors' Appointment and Remuneration

The salient features of the policy on directors' appointment and remuneration forms a part of the Corporate Governance Report.

Corporate Social Responsibility (CSR)

The Board has approved the CSR policy on June 4, 2021, on recommendation of the CSR Committee. One CSR committee meeting was held on June 2, 2021 to approve the CSR expenditure for the FY 2019-20.

For F.Y. 2021-22, the company is not required to spend on CSR under section 135 of the Companies Act, 2013.

However the Company has voluntarily spent Rs 3.49 lakhs in relief health camps in flood affected districts of Bihar under aegis of MFIN.

The Board has discontinued the CSR Committee as the provisions of section 135 do not mandate your company to constitute a CSR Committee during the year under review.

The Board confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

Evaluation of directors, determining qualifications, positive attributes and independence of directors

The Nomination and Remuneration Committee has formulated the criteria for evaluation of Director, the Board and its Committees. The same are provided below:

The criteria for evaluation of performance of Independent directors-

a) Attendance in the meetings of the Board as well as the committees thereof.
b) Effective participation in the meetings and providing timely inputs on the matters brought before the Board or the Committees.
c) Adherence to and affirmation with ethical standards and the Code of Conduct of the company and timely disclosure of interest, if any, acquired subsequently and affirmation to the Board about the continued “Independent status” as provided in section 149(6) of the Act.
d) Rising of valid concerns to the board and the Committees and constructive contribution to the resolution of issues at the meetings.
e) Inter-personal relation with other directors and management.
f) Unbiased and objective evaluation of the Board performance.
g) Understanding of the company and the external environment in which it operates.
h) Protecting the interest of Whistle Blower under vigil mechanism and safeguarding the confidential information of the company.

The criteria for evaluation of performance of the non-Independent Directors/Executive Directors-

a) Attendance in the meetings of the Board as well as the committees thereof

b) Effective participation in the meetings and providing timely inputs on the matters brought before the Board or the Committees
c) Adherence to and affirmation with ethical standards and the Code of Conduct of the company and timely disclosure of interest, if any, acquired subsequently and affirmation to the Board.
d) Efforts for improvement in operations of the company for its long term revival
e) Team work attributes and supervising and training of staff members.
f) Protecting the interest of Whistle Blower under vigil mechanism and safeguarding the confidential information of the company.

In compliance with the provisions of the Reserve Bank of India and the other regulations the Board has approved the Policy for fit and proper criteria in selection and appointment of Directors. The Policy provides for a selection criteria for appointment of Directors, viz., educational and professional background, general understanding of the Company's business dynamics, global business and social perspective, personal achievements and Board diversity.

Disclosure pursuant to section 197 (12) read with rule 5 of the companies (appointment and remuneration of managerial personnel) rules, 2014

The details required under Section 197(12) read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **"Annexure III"**

Disclosures pursuant to The Sexual Harassment of Women at The Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC)/POSH Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the year under review, no complaint was received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Secretarial Standards

The Company has complied with the applicable provisions of secretarial standards issued by the Institute of Company Secretaries of India.

Share Capital

On July 20, 2021, the members of the company, on recommendation of the Board have approved reclassification of fully paid up share capital of INR 61,33,44,820 (Indian Rupees sixty one crore thirty three lakh forty four thousand eight hundred and twenty) divided into shares into class A & class B shares as below-

- 6,13,34,482 (six crore thirteen lakhs thirty-four thousand four hundred and eighty-four) Equity Shares of INR 10/- (Indian Rupees ten only) each

to

- 5,54,64,482 (five crore fifty-four lakhs sixty-four thousand four hundred and eighty-two) Class A Equity Shares of INR 10/- (Indian Rupees ten only) each; and
- 58,70,000 (fifty-eight lakh and seventy thousand) Class B Equity Shares of INR 10/- (Indian Rupees ten only) each

by reclassifying the 58,70,000 (fifty-eight lakh and seventy thousand) Equity Shares of INR 10/- (Indian Rupees ten only) each held by Saija Management and Employee welfare trust as 58,70,000 (fifty-eight lakh and seventy thousand) Class B Equity Shares of INR 10/- (Indian Rupees ten only) each.

The members at the same meeting dated July 20, 2021, have also approved the variation in rights of the class B shareholders as below-

- Class B Equity Shares have the right to vote pari passu with the holders of Equity Shares;
- Class B Equity Shares have no other right including by way of dividend and other economic interest.

The MoA & AoA of the company are also amended accordingly to give effect to the resolutions passed by the members of the company as stated above.

The company has allotted 2,14,37,998 (Two Crores Fourteen Lakhs Thirty-Seven Thousand Nine Hundred And Ninety-Eight)Compulsorily Convertible Preference Shares ("CCPS") And 100 (One Hundred) Equity Shares to Dvara Kshetriya Gramin Financial Services Private Limited on October 27, 2021.

Auditors

M/s SR Dinodia & Co. LLP, Chartered Accountants, (FRN/Membership No: 001478N/N500005), are the Statutory Auditors of the company for the year ended March 31, 2022.

M/s A. Associates were appointed as Secretarial Auditors of the Company for F.Y. 2021-22 and the report submitted by them is part of this Board Report.

Committees of the board of directors

The Board of Directors has formulated four committees namely:

(i) Audit Committee
(ii) Nomination and Remuneration Committee
(iii) Business Review &Risk Management Committee
(iv) Management Finance Committee

Vigil Mechanism

The Company has its vigil mechanism for its Directors and Employees to report their genuine concerns or grievances. Since the Company has an Audit Committee, the responsibility to oversee vigil mechanism has been entrusted to the Audit Committee. The Chairman of Audit Committee has been authorised to ensure effective implementation of the vigil mechanism established by the Company.

The details of vigil mechanism are as under:

(i) The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy.

(ii) All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance Officer will carry out an investigation either himself/herself or by involving any other Officer of the Company/ Committee constituted for the same /an outside agency before referring the matter to the Audit Committee of the Company

(iii) If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

(iv) The complainant, Vigilance Officer, Members of Audit Committee, the subject and everybody involved in the process shall, maintain confidentiality of all matters under this policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

(v) The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

(vi) All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

(vii) The Company reserves its right to amend or modify this policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Directors and employees unless the same is communicated in the manner described as above.

Explanation or comments by Board on qualification or adverse remark made on the audit reports

The reports of statutory auditors for the year ended 31st March 2022 are free from any qualification or adverse remark which might have any adverse impact on the functioning and credibility of the company.

The reports of secretarial auditors for the year ended 31st March 2022 are free from any qualification or adverse remark which might have any adverse impact on the functioning and credibility of the company.

Particulars of loans, guarantees and investments

The Company, being a non-banking financial company registered with the RBI and engaged in the business of giving micro loans, is exempt from complying with the provisions of section 186 of the Act w.r.t. loans. Accordingly, the disclosures of the loans given as required under the aforesaid section have not been made in this Report. During FY2021-22, the Company has not made any significant investments.

Related party transactions

All contracts, arrangement and transactions entered by the Company during FY2021-22 with related parties, if any, were in compliance with the applicable provisions of the Act. All related party transactions entered during FY2021-22 were on arm's length basis and in the ordinary course of business of the Company under the Act. None of the transactions required members' prior approval under the Act. During FY2021-22, there were no related party transactions requiring disclosure under section 134 of the Act. Hence, the prescribed Form AOC–2 does not form a part of this report. However, the details of transactions with related parties are provided in the Company's financial statements in accordance with the Indian Accounting Standards.

Acknowledgement

The Directors take this opportunity to express their deep and sincere gratitude to the MFIN, The Reserve Bank of India, the Government of India and Regulatory Authorithities for their co-operation, support and guidance.
The Directors would like to express a profound sense of appreciation for the commitment shown by the employees in supporting the Company in its endeavour towards becoming a leading microfinance institution of the country. The Directors would also like to express their gratitude to shareholders, bankers and other stakeholders for their trust and support.

On behalf of the Board

Sd/-	Sd/-
(Samir Amrit Shah)	Vijayaraghavan Venkatesan
Chairman and non executive Director	Non executive Director

Date: 06.09.2022
Place: Chennai

Annexure-II

Company's philosophy on corporate governance

Corporate governance is creation and enhancing long -term sustainable value for the stakeholders through ethically driven business process. At Saija, it is imperative that our Company affairs are managed in a fair and transparent manner.

Saija Finance Private Limited recognizes its role as a responsible corporate citizen and follows best practices and the highest standards of Corporate Governance through its four pillars which are its core values .i.e. Transparency, Discipline, Excellence and Social Responsibility.

Saija's Vision is to be a value-driven company that creates significant social impact through high-quality sustainable microfinance and allied services and it has mission to bring innovative and transparent microfinance to millions in urban and rural India.

For the fulfillment of its vision and mission company maintains a team of skilled person which provide customer focused and efficient services. Saija has been balancing its dual objectives of "social" and "financial" goals since its inception. Discipline, Social responsibility and transparency in all its dealings with its customers, lenders, investors and employees' have been the corner stone of its operations. Transparency in the decision making process has been providing comfort to all stakeholders, particularly the lenders and investors.

RBI Guidelines on Corporate Governance

Saija follows the guidelines issued by RBI on Corporate Governance and updates itself with the guidelines issued by RBI on regular basis.

The need for adoption of good corporate governance practices continues to engage the regulator and stakeholder attention. This is also in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board of Directors

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the management serves and protects the long -term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance. Company has composition of both Executive and Non-Executive Directors.

Composition of the Board as on the end of FY 2021-22:

Name	DIN	PAN	Designation	Date of Birth	Date of Appointment
Mr. Vishwanath Prasad Singh	00015784	ALZPS7615K	Independent Director	25-01-1944	22-12-2015 (Re-appointment for 2nd term wef 22-12.2020)
Mr. Carlos Eduardo Castello	06499244	NA	Independent Director	12-01-1956	15.05.2020
Mr. Abhishek Agrawal	6760344	AECPA4338P	Nominee Director (ACCION)	08-08-1980	02-09-2015
Mr. John Henry Fischer	07908218	AFBPF8986Q	Nominee Director (ACCION)	27-04-1966	20-09-2019
Mr. Shashi Ranjan Sinha	00917884	ABYPS3955P	Chairman cum Managing Director	21-02-1956	1-01-2008
Mrs. Rashmi Sinha	01200048	ABYPS3958A	Whole Time Director	18-02-1960	02-09-2015
Mr. Samir Amrit Shah	00912693	BEUPS7327R	Nominee Director (Dvara KGFS)	18-10-1968	27-10-2021

Board Meetings

Scheduling and selection of agenda items for Board meetings

Dates for Board meetings in the ensuing year are decided in advance. The Board periodically reviews compliance reports of all laws applicable to the Company. The Board meets at least once a quarter to review the results and other items on the agenda. Additional meetings are held, when necessary. Committees of the Board usually meet the day of Board meeting or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approvals.

During the financial year 2021-22, the Board met (11) eleven times on 3rd May, 2021, 30th June, 2021, 20th July, 2021, 2nd August, 2021, 22nd September 2021, 13th October, 2021, 27th October, 2021, 14th November, 2021, 18th December, 2021, 25th January, 2022 and 14th February, 2022. The gap between no two Board meetings exceeded one hundred and twenty days.

Duties and Responsibilities of the Board of Directors

In accordance with the provisions of Section 166 of the Companies Act, 2013 and as a matter of corporate governance, the directors of the Company have the following duties: -

(1) A director of a Company shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
(2) A director of a Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
(3) A director of a Company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
(4) A director of a Company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
(5) A director of a Company shall not assign his office and any assignment so made shall be void.

Minimum information to be placed before the Board

(1) Annual operating plans and budgets and any updates.
(2) Periodic results for the entity and its operating divisions or business segments.
(3) Minutes of meetings of audit committee and other committees of the board of directors.
(4) The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
(5) Show cause, demand, prosecution notices and penalty notices, which are materially important.
(6) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
(7) Any material default in financial obligations to and by the entity or substantial non-payment for goods sold by the entity.
(8) Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the entity or taken an adverse view regarding another enterprise that may have negative implications on the entity.
(9) Details of any joint venture or collaboration agreement.
(10) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual

property.

(11) Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

(12) Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.

(13) Periodic details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

(14) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

(15) The progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the Company;

(16) Conformity with corporate governance standards viz., in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.

Board Committees

Audit Committee

The Audit Committee was constituted in the year 2013 and was recently reconstituted on 18th December 2021. The Board has approved a Charter for the functioning of the Committee, on 31 March, 2015.

The terms of reference of the Audit Committee is as set out in Section 177 of the Companies Act, 2013. The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor and statutory auditor and notes the processes and safeguards employed by each of them.

The composition of the Committee as on the end of the Financial Year is as follows:

S. No.	Name of Director	Designation	Position in committee
1.	Mr. V. P. Singh	Independent Director	Member
2.	Mrs. Rashmi Sinha	Whole time director	Member
3.	Mr. Abhishek Agarwal	Nominee Director	Member
4.	Mr. Samir Amrit Shah	Nominee Director	Member

During the financial year 2021-22, (5) Five Audit Committee meetings were held on:

1. June 30, 2021
2. September 22, 2021
3. November 14, 2021
4. January 19, 2022
5. February 14, 2022

Nomination & Remuneration Committee:

The Board on 18th December 2021 re-constituted the Nomination and Remuneration Committee. The purpose of the Committee is to oversee the Company's nomination process for the senior management and specifically to identify, screen and review individuals qualified to serve as Executive Director, Non- Executive Director and Independent Director consistent with criteria approved by the Board and to recommend, for approval by the Board. The Company has Board approved Fit & Proper Criteria Policy as per the RBI directives.

Following is the composition of Nomination & remuneration Committee as on the end of the Financial Year:

S.No.	Name of Director	Designation	Position in committee
1.	Mr. Carlos Eduardo Castello	Independent Director	Member
2.	Mr. John Henry Fischer	Nominee Director	Member
3.	Mr. Samir Amrit Shah	Nominee Director	Member
4.	Mrs. Rashmi Sinha	Whole Time Director	Member

Risk Management Committee

The Company has reconstituted and has renamed the Risk Management Committee as Business Review &Risk Management Committee on 18th December, 2021 as per the provisions of RBI regulations. The committee has the following members as at the end of the Financial Year with some permanent invitees from Dvara KGFS-

S. No.	Name of Director	Designation	Position in committee
1.	Mr. Carlos Eduardo Castello	Independent Director	Member
2.	Mr. Samir Amrit Shah	Nominee Director	Member
3.	Mrs. Rashmi Sinha	Whole time director	Member
4.	Mr. Abhishek Agarwal	Nominee Director	Member
5.	Mr. John Henry Fischer	Nominee Director	Member

Management Finance Committee:

The Company has a Management Finance Committee. Pursuant to the provisions of Section 179 of the Companies Act,2013 the consent of the members of the Board of directors was taken to constitute the "Management Finance Committee" for the purpose of discussing, approving and transacting, the matters relating to borrowing and investing the funds/ money availing credit facilities from bankers/ funders of the Company.

Following is the composition of Management Finance Committee as on the end of the financial year:

S. No.	Name	Designation	Position in committee
1.	Mr. Shashi Ranjan Sinha	Chairman cum managing Director	Chairperson
2.	Mrs. Rashmi Sinha	Whole-Time Director	Member
3.	Vice-President (Finance)	Vice-President (Finance)	Member
4.	Vice-President (Commercial)	Vice-President (Commercial)	Member
5.	Vice-President (Operations)	Vice-President (Operations)	Member

Code of conduct

The Company has adopted the Saija Code of Conduct (CoC) for Directors, Senior Management Personnel and other Executives of the Company. The Company has received confirmations from the Directors regarding compliance of the Code during the year under review. It has also adopted the Saija CoC for Non-Executive Directors of the Company. Code of Conduct has been posted on the website of the Company.

Details of non-compliance

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities.
There has been no instance of non -compliance with any legal requirements, nor have there been any restrictions imposed by any stock exchange or SEBI, on any matters relating to the capital market over the last three years.

Annexure-III

DISCLOSURE IN DIRECTOR'S REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S. No.	Requirements	Disclosures
1.	The ratio of remuneration of each director to the median of remuneration of employees of the Company for the Financial Year.	Name of Directors — Ratio Mr. Shashi Ranjan Sinha — 34.22:1 Mrs. Rashmi Sinha — 29.94:1
2.	Percentage increase in remuneration of each Director and Key Managerial Personnel in the Financial Year.	Mr. Shashi Ranjan Sinha- No Increment during year (Chairman and Managing Director) Mrs. Rashmi Sinha- No Increment during year Company Secretary -Increment during year- 10%
3.	The percentage increase in median remuneration of employees in Financial Year.	During FY 2021-22, the percentage increase in the median remuneration of employees as compared to previous year was approximately 7%.Further, the number of employees at the end of FY 2021-22 is 645 as compare to 725 employees at the end of previous FY.
4.	No. of permanent employees on roll of the Company	645

5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average salary of employees other than Key Managerial Personal in the FY-2021-22 is increased approximately by 10% as compare to that of in FY 2020-21. There is 10% increment in the salary of Company Secretary (KMP) in the financial year. Any exceptional change recorded for increase in the Managerial Remuneration.
6.	The key parameters for any variable component of remuneration availed by the directors.	NA
7.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, it is confirmed.

General Note:

1. Profit of the Company is calculated as per section 198 of the Companies Act, 2013.
2. Managerial Personnel includes Chairman and Managing Director, Whole Time Director and Company Secretary (KMP).

Annexure- IV

Management Discussion and Analysis

Business segment

SAIJA continues to offer financial services to underprivileged segments of the society, under the NBFC - MFI license granted by the Reserve Bank of India. This market segment is commonly referred to as microfinance and is dominated by the Joint Liability Group model. This market segment offers an opportunity to the company to pursue triple boom line objectives - financial, social and environmental.

Industry Portfolio and Outreach

The various categories of financial institutions engaged in the microfinance space in India include NBFC-MFIs, Banks, Small Finance Banks (SFBs), NBFCs and Others (including Non-profit MFIs).

According to the latest report released by MFIN as on 31 March 2022, 12 Banks hold the largest share of portfolio in micro-credit with total loan outstanding of Rs 1,14,051 Cr, which is 40.0% of total micro-credit universe. NBFC-MFIs are second largest provider of micro-credit with a loan amount outstanding of Rs 1,00,407 Cr, accounting for 35.2% to total industry portfolio. SFBs have a total loan amount outstanding of Rs 48,314 Cr with total share of 16.9%. NBFCs account for another 6.9% and Other MFIs account for 1.0% of the universe. Apart from MFI's, NABARD SHG Bank Linkage Programme (SBLP) also contributes significantly to the microfinance universe. As on 31 March 2021, around 57.8 lakhs SHG's had an outstanding portfolio of Rs 103,290 Cr with them.

Key High Lights as on March 31, 2022 (source- MFIN website)

Types of Entity	No of Entities	Unique Borrowers (Cr)	Active Loan Accounts (Cr)	Portfolio O/s (Cr)
NBFC - MFIs	84	2.7	4.2	1,00,407
Banks	12	2.9	4.3	1,14,051
SFB	9	1.4	1.8	48,314
NBFC	58	0.7	0.8	19,698
Others	39	0.1	0.2	2,971
Total	202	5.8	11.3	2,85,441

According to the latest report released by MFIN (Data as on March 2022), the gross loan portfolio of India's microfinance sector grew by 10.05% to Rs 2,85,441 crores from Rs 2,59,377 Crores as on March 2021. The portfolio of NBFC-MFI grew by 24.65 % from Rs 80,549 Crores as on March 31, 2021 to 1,00,407 as on March 31, 2022.

Borrower outreach has decreased by 2.19% from 5.93 Crores of unique borrowers as on March 2021 to 5.80 Crores of unique borrowers as on March 31, 2022.

Regulatory update

On 14th March 2022, The Reserve Bank of India came up with a new regulatory framework for microfinance loans via RBI notification no. RBI/DOR/2021-22/89DoR.FIN.REC.95/03.10.038/2021-22. This new framework provides a common dentition of microfinance for all the regulated entities viz Banks as well as NBFCs directed that microfinance lenders cannot charge usurious rate of interest from borrowers. It also relaxes the pricing guidelines and other restrictions which were imposed on the microfinance institutions under the erstwhile regulations. This is recognition of maturity of the microfinance sector and expected to give a level playing field to all the lenders. RBI via notification RBI/2021-22/112DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 on Framework for Scale Based Regulation for Non-Banking Financial Companies, bifurcated the Regulatory structure of NBFCs in four layers i.e. NBFC - Base Layer (NBFC-BL), NBFC - Middle Layer (NBFC-ML), NBFC - Upper Layer (NBFC-UL) and NBFC - Top Layer (NBFC-TL) based on their size, activity, and perceived riskiness. Your Company being a NBFC - Base Layer (NBFC-BL), endeavors to ensure the compliance with this notification.

Business growth

Our range of strategic measures will help us implement our plans to expand our presence and invest in business growth through technology adoption and retention and development of talent over the coming years. We are also looking at driving values-based collaborations with other players to strengthen our value proposition.

SFPL targets various customer segments through a well-diversified portfolio of products and services – from microcredit for business growth as well as for social impact and WASH loans to financing for housing & sanitation purpose. Our range of strategic measures will help us implement our plans to expand our presence and invest in business growth through technology adoption and retention and development of talent over the coming years. We are also looking at driving values-based collaborations with other players to strengthen our value proposition like DVARA KGFS.

COVID-19 challenges

While the third wave of the COVID-19 virus in India witnessed in January 2022, sparked by the Omicron variant, turned out to be not so intense as the second wave in April 2021, concerns

regarding health and safety continue. Scientists and healthcare professionals expect the virus to continue mutating even as widespread vaccination helps to resume normalcy of travel and economic activity. India's high vaccination rate provides an impetus for economic recovery and growth, and has been a key enabler in securing the livelihoods of people from lower economic strata. During 2021-22, a vast majority of people, falling under the rural and employed in 'essentials' category, sustained and resumed income as essential economic activities returned to normalcy.

Financial performance with respect to operational performance

Business Operations

AUM during the year has been decreased by 37% due to less disbursements and adverse COVID impact on the business. Many new initiatives were taken during the year like business correspondence with Dvara KGFS with AUM of Rs 31.82 Crores as on March 31, 2022. The collection efficiency was improved during the year to 97.5% from 87.02 in the previous year 2020-21. Focus on digital collections via unique QR code etc. to improve the collection efficiency and decrease the cases of frauds and cash misappropriation.

Financial Highlights

The Company has incurred significant losses in the current year resulting in a substantial erosion of its net worth. This is primarily attributable to impairment loss provision including write off's arising out of various factors including impact/ disruption caused by Covid-19.

During the year, the total revenue of your Company stood at INR 1919.24 Lakhs as compared to INR 6004.18 Lakhs in Financial Year 2020-21 which represents 68.03% downfall in revenue. Your Company has posted loss of Rs. 2809.02 Lakhs for Financial Year 2021-22 as compared to loss after tax of Rs. 3250.49 Lakhs for the Financial Year 2020-21. The losses incurred are majorly due to COVID-19 related aspects and adverse business conditions.

Borrowings and funding

The company raised INR 1010.00 lakhs of borrowings during the year. The company has made Securitization and Direct Assignments worth Rs 1590.00 lakhs during the year 2021-22.

Further in order meet its growth capital requirement, the Company has signed a Subscription and Shareholding Agreement with Dvara KGFS on 28 July 2021 and in the October 2021 additional capital of Rs. 7.57 crore has been infused representing 25.90% of the share capital of the Company. Additionally, Dvara KGFS has extended business correspondence support to the major branches of the Company.

Technology

The Company makes use of advanced technologies to enable financial inclusion for its clients. It has developed platforms to orchestrate digital customer journeys for its clients in an easy and transparent manner. These technologies have also helped Saija to significantly enhance the accessibility of its services. The Company's enabled Digital collection Management System for smooth collections to reduce the operational cost and enhanced customer loyalty. The system is designed to collect, process, and track large tracts of data and features comprehensive capabilities, audit trails and logs, transaction reports, and real-time data updation and more.

Benefits of technological progression

- Repayment Features such as SMS, Whatsapp Payment QR Code scan-enabling brand recall value.
- Integration with Fingpay for cashless collection and UPI payments and also caters to various other integrations for Digital Repayments.
- Digital collection will help us to mitigate the risk of Fraud.

Use of a strong technology backbone is one of the highlights of the business operations of SAIJA. Our technology infrastructure helps us in managing our vast operations with a robust reporting framework and helps us to achieve most efficient operations.

During the year, we have taken several initiatives for improving our technological footprint. Cashless collections have always been an area of focus for SAIJA. During the year we adopted a unique and simplified solution for digital collection through UPI QR Code. This is the fastest and easiest mode of cashless repayment and since each QR Code is unique and client specific, it also aids in accurate identification and tracking of the payments. This solution is fully automated and integrated with our LMS (Loan Management solution). SAIJA has started printing QR code on loan cards provided to the clients.

Risk Management

SAIJA has a strong risk management infrastructure for managing variety of risks which the organization faces. At the Board level we have a Board Risk Management Committee for overseeing the Risk Management of the organization. At the management level we have risk committees to oversee specific areas of risks like operational risk, liquidity risk, credit risk and market risk. Timely reports are presented to the management and the Board risk committees for their review and suggestions. Some of the risks which SAIJA sees in the near future are as below-

- There is significant COVID related uncertainties in the market. While we have effectively negotiated the first wave of the pandemic, the impact of the second wave is still unfolding and may impact repayment performance on the loans.
- Punjab is the state where we have been facing significant impact on repayment on account of political interventions. We have limited our exposure to this state.
- Rising inflation may result in a fall in the repayment capacity of the clients.

Internal control systems and their adequacy

- Several policies and procedures were adopted during the year to attain operational efficiency by the organization by identifying process gaps between what is currently in practice vis-à-vis what was originally set to be followed.
- Audit of Branches and the Head Office functions is done on quarterly basis.
- Audit findings / reviews is done once in a quarter with regional manager/ Branch manager and Saija Audit head.

Human Resource Management and Training

We believe that Human Resources are the most important assets of any organization. SAIJA has a vibrant Human Resource function which takes care of all important areas of Human Resource management viz recruitment, induction, deployment, training, compensation, performance appraisal and statutory compliances etc. Our dedicated training team conducts induction as well as refresher training programs on variety of subjects viz, code of conduct, Delinquency management, fraud mitigation trainings so on and so forth. Our Human Resources team makes the employees connected by celebrating festivals, doing Reward & Recognitions, Town hall events on regular basis. Employee quizzes, Swachh Saija Abhiyan, Core Values Sessions across branches are done during the year. These trainings and celebrations help build overall capacities of the staff so that they are able to perform well in their respective roles and feel connected.

Social Performance Management

SAIJA's social goal is to create value for the underserved population of the rural India by making them financially capable to lead a dignified life. Bringing sustainable changes in the lives of the clients has been part of the vision and mission of SAIJA Finance Private Limited.

****

Annexure-I

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2022
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:**

i	CIN	U65929DL1997PTC089892
ii	Registration Date	9/26/1997
iii	Name of the Company	SAIJA FINANCE PRIVATE LIMITED
iv	Category/Sub-category of the Company	Indian Non-Government Company
v	Address of the Registered office & contact details	F-128, 3rd Floor, R.K. Puram, Mohammadpur, Delhi-110066
vi	Whether listed company	Company limited by shares and Non-Convertible Debentures are listed on Stock Exchange
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	**1. Link Intime India Private Limited** Address-C 101, 1st Floor, 247 Park, Lal Bahadur Singh Marg, Vikhroli (West), Mumbai - 400083. Tel.- +91 22 49186000 **2. Ankit Consultancy Private Limited** Address- 60, Pardeshipura, Electronic Complex, Indore (M.P.) 452010 Tel.:0731-4065799, 4065797

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.

SL No	**Name & Description of main products/services**	**NIC Code of the Product /service**	**% to total turnover of the company**
1	FINANCIAL AND RELATED ACTIVITIES	9971	100%
2			

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	**Name & Address of the Company**	**CIN/GLN**	**HOLDING/ SUBSIDIARY/ ASSOCIATE**	**% OF SHARES HELD**	**APPLICABLE SECTION**
1	NIL	NIL	NIL	NIL	
2					
3					

IV **SHAREHOLDING PATTERN (Share capital Break up as % to total shares)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
A. Promoters								
(1) Indian								
a) Individual/HUF	-	2,000,000	2,000,000	3.26%	-	2,000,000	2,000,000	2.42%
b) Central/ State Govt.	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-
e) Any other	-	5870000	5870000	9.57%	-	5870000	5870000	7.09%
SUB TOTAL:(A) (1)	**-**	**7,870,000.00**	**7,870,000.00**	**12.83%**		**7,870,000**	**7,870,000**	**9.51%**
(2) Foreign								
a) NRI- Individuals	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-
c) Bodies Corp.								
d) Banks/FI	-	-	-	-	-	-	-	-
e) Any other…	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**-**	**7870000**	**7870000**	**12.83%**	**-**	**7,870,000.00**	**7,870,000.00**	**9.51%**
B. PUBLIC SHAREHOLDING	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
(1) Institutions								
a) Mutual Funds	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-
C) Cenntral govt	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-
g) FIIS	10741278	42723204	53464482	87.17%	10741278	42723204	53464482	64.59%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
i) Others - Body Corporate (Equity)	-	-	-	-	-	100.00	100	0.00
i) Others -- Body Corporate (preference)	-	-	-	-	-	21,437,998.00	21437998	25.90
	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	**10,741,278.00**	**42,723,204.00**	**53,464,482.00**	**87.17%**	**10,741,278.00**	**64,161,302.00**	**74,902,580.00**	**90.49%**
(2) Non Institutions								
a) Bodies corporates	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**10,741,278.00**	**42,723,204.00**	**53,464,482.00**	**87.17%**	**10,741,278.00**	**64,161,302.00**	**74,902,580.00**	**90.49%**
	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**10,741,278.00**	**50,593,204.00**	**61,334,482.00**	**100.00**	**10,741,278.00**	**72,031,302.00**	**82,772,580.00**	**100.00**

(ii) **SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the begginning of the year			Shareholding at the end of 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
1	Mr.Shashi Ranjan Sinha	1002125	1.63%	NIL	1002125	1.21%
2	Ms.Rashmi Sinha	997875	1.63%	NIL	997875	1.21%
	Total	**2000000**	**3.26%**		**2000000**	**2.42%**

(iii) **CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)**

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company	No of shares	% of total shares of the Company
	At the beginning of the year	2000000	3.26%	2000000	3.26%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (Transfer -26/09/2017)	NIL		NIL	
	At the end of the year	2000000	3.26%	2000000	2.42%

(iv) **Shareholding Pattern of top ten Shareholders (other than Direcors, Promoters & Holders of GDRs & ADRs)**

Sl. No	Shareholders Name	Shareholding at the end of the year		Type of shares	
	For Each of the Top 10 Shareholders	No.of shares	% of total shares of the Company	Equity	Preference
1	Accion Africa Asia Investment Company	25,762,808	31.12%	25762808	-
2	Pragati India Fund Limited	25,741,278	31.10%	25741278	-
3	Dvara Kshetriya Gramin Financial Services Private Limited	21,438,098	25.90%	100	21437998
4	Saija Mannagement and Employee Welfare Trust	5,870,000	7.09%	5870000	-
5	Accion Gateway LLC	1,960,396	2.37%	1960396	-

(v) **Shareholding of Directors & KMP**

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Directors & KMP	No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	**Shashi Ranjan Sinha**				
	At the beginning of the year	1002125	1.63%	1002125	1.63%
	Change in Shareholding	0	-0.42%	0	-0.42%
	At the end of the year	1002125	1.21%	1002125	1.21%
2	**Rashmi Sinha**				
	At the beginning of the year	997875	1.63%	997875	1.63%
	Change in Shareholding	0	-0.42%	0	-0.42%
	At the end of the year	997875	1.21%	997875	1.21%

(V) INDEBTEDNESS (in Rs.) *as on March 2022*

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	1,414,247,020	300,000,000		1,714,247,020
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	8,757,418	4,299,752	-	13,057,170
Total (i+ii+iii)	**1,423,004,438**	**304,299,752**	**-**	**1,727,304,190**
Change in Indebtedness during the financial year				
Additions	246,748,179	-		246,748,179
Reduction	- 981,403,574	-		- 981,403,574
Net Change	**- 734,655,395**	**-**		- 734,655,395
Indebtedness at the end of the financial year				
i) Principal Amount	**679,591,625**	**300,000,000**		979,591,625
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	4,658,859	4,299,752		8,958,611
Total (i+ii+iii)	**684,250,484**	**304,299,752**		**988,550,236**

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Amt. (Rs.)	Total
1	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	(i) Shashi Ranjan Sinha	4,800,000	9,000,000
		(ii) Rashmi Sinha	4,200,000	
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	(i) Shashi Ranjan Sinha		
		(ii) Rashmi Sinha		
2	Stock option			
3	Sweat Equity			
4	Commission			
	as % of profit			
	others (specify)			
5	Others, please specify			
	Total (A)		9,000,000	9,000,000
	Ceiling as per the Act		NA	NA

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Amount
1	Independent Directors	
	(a) Fee for attending board committee meetings	1,366,583.00
	(b) Commission	
	(c) Others, please specify	
	Director Remuneration	
	Director Remuneration	
	Total (1)	**1,366,583.00**
2	Other Non Executive Directors	
	(a) Fee for attending board committee meetings	NIL
	(b) Commission	
	(c) Others, please specify.	
	Total (2)	
	Total (B)=(1+2)	
	Total Managerial Remuneration	
	Overall Cieling as per the Act.	**NA**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (in Rs.)

Sl. No.	Particulars of Remuneration of KMP			Total	
1	**Gross Salary**	**CEO**	**Company Secretary**	**CFO**	**Total**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	NIL	898,823.00	NIL	898,823.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	-	-	-	-
	as % of profit				
	others, specify	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL

VII **PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES**

Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty/Punishment/Compounding fees imposed**	**Authority (RD/NCLT/ Court)**	**Appeall made if any (give details)**
A. COMPANY					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
B. DIRECTORS					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
C. OTHER OFFICERS IN DEFAULT					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Saija Finance Private Limited
F-128, 3rd Floor, Mohammadpur, R K Puram, New Delhi-110066

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Saija Finance Private Limited (CIN: U65929DL1997PTC089892).** Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the **Saija Finance Private Limited's** books, registers, documents, minute books, forms and returns filed and other records maintained by the company, and also the information provided by the company, its officers and authorized representatives, during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March' 2022** complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, registers, documents, minute books, forms, and returns filed and other record maintained by **Saija Finance Private Limited (CIN: U65929DL1997PTC089892)** for the financial year ended on 31st March' 2022 according to the provisions of:

i) The Companies Act' 2013 (the Act) and the rules made there under;
ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
iii) The Depositories Act, 1996 and the regulations and Bye- Laws framed there under;
iv) Foreign Exchange Management Act, 1999 and the rules made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act)-

A. Kumar & Associates Company Secretaries PATNA

1/J-1, 1st Floor, Chandi Vyapar Bhawan, Exhibition Road, Patna - 800 001
Tel. : 0612-2500130 (O), 0612-3200370 (Resi.), Mob. : 9431800678 (D)
E-mail : akumarassociate@yahoo.co.in

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015
c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
d) The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009
e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
g) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

vi) RBI Act for Non-Deposit accepting NBFC.
vii) Memorandum of Association and Articles of Association of the Company;
viii) I have also examined compliance with the applicable clauses as following-
a) Secretarial Standards issued by "The Institute of Company Secretaries of India".
b) The Listing Agreement entered into by the Company with the Stock Exchange.

In respect of other Statutes / Regulations applicable to the Company, I have relied on the information provided to me by the company and no audit has been conducted for those matters.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

a) Although the Company is a Private Company limited by shares, during the Financial Year the Company holds listed Non-Convertible Debentures on recognized Stock Exchange accumulating to Rs. 13,29,12,000/-.

b) The company, during the year under reporting, redeemed Non-Convertible Debentures, that was issued earlier, amounting to Rs. 13,37,55,000/- in accordance with the Act and the terms and conditions of issue.

c) As informed, the company has been normally paying the undisputed Statutory Dues on time.

d) The Net worth of the Company as per audited Financial Statement for Financial Year 2021-22 was Rs. 1,279.34 Lakhs compared to the previous year's Net Worth figure of Rs. 3,363.28 Lakhs as the Company suffered the loss of Rs. 2,809.02 Lakhs during the period under reporting.

e) On a few instances the filings of Forms / Documents / Records particularly with RBI and SEBI (as per LODR) was done late.

A. Kumar & Associates Company Secretaries PATNA

f) There was One Corporate Social Responsibility (CSR) Committee meeting held during the reporting period.

I further Report that:

During the Financial year under Reporting, the Company was not required to spend under Corporate Social Responsibility (CSR) due to loss suffered by the Company during financial year 2020-21.

The Board of Directors of the Company is duly constituted and the Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate Notices were given to all Directors to schedule the Board Meetings with agendas. HOWEVER, on several instances, the financials / reports / documents or details to support the agendas were circulated late. A system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through consensus while the dissenting members' views, wherever applicable, are captured and recorded in the minutes where such members specifically demand for recording the same.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and to ensure compliance with applicable laws, rules, regulations and guidelines.

UDIN No. F005204D000824539 Dated 22/08/2022

For A. KUMAR & ASSOCIATES
COMPANY SECRETARIES

Ajay Kumar
Proprietor

Name of Company Secretary: Ajay Kumar
FCS No.: 5204
C.P. No.: 3433

Place: Patna
Date: 22/08/2022

NOTE: This report is to be read with our letter of even date which is annexed as "**Annexure A**" and forms an integral part of this report.

"Annexure A"

To,

The Members,
Saija Finance Private Limited
F-128, 3rd Floor, Mohammadpur, R K Puram, New Delhi-110066

Our report of even date, for financial year 2021-22, is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

UDIN No. F005204D000824539 Dated 22/08/2022

For A. KUMAR & ASSOCIATES
COMPANY SECRETARIES

Ajay Kumar
Proprietor

Name of Company Secretary: Ajay Kumar

FCS No.: 5204

C.P. No.: 3433

Place: Patna

Date: 22/08/2022