

# Sindhuja

आपकी समृद्धि का साथी



**Nurturing Futures.  
Empowering Lives.**

Annual Report 2024-25



आपकी समृद्धि  
का साथी

# Corporate Information

## BOARD OF DIRECTORS:

**Mr. Abhisheka  
Kumar**

Managing Director

**Mr. Abhishek  
Sharman**

Nominee Director

**Mr. Ameet  
Goyall**

Nominee Director

**Mr. Agustin  
Vitorica**

Nominee Director

**Mr. Diwakar  
Pundir**

Independent Director

**Ms. Laetitia  
Counye**

Nominee Director

**Mr. Malkit Singh  
Didyala**

Whole Time Director,  
CEO & CIO

**Mr. Sandeep  
Phanasgaonkar**

Independent Director

**Ms. Jagriti  
Bhandari**

Nominee Director

## COMPANY SECRETARY:

**Mr. Pankaj  
Kumar Sinha**

Company Secretary &  
Chief Compliance Officer

## STATUTORY AUDITORS:

**S S Kothari Mehta & Co. LLP**  
Chartered Accountants

## REGISTERED & CORPORATE OFFICE:

**Office No. 601 - 607, 6th Floor, Tower A,  
Noida One, Plot No. 8, Block B, Sector 62, Noida,  
District: Gautam Budh Nagar, Uttar Pradesh – 201307**

## WEBSITE:

**[www.sindhujamicrocredit.com](http://www.sindhujamicrocredit.com)**



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# Message from **The Founders**



Dear Stakeholders,

The Microfinance industry came under stress in FY 24-25 due to several factors. The prolonged and staggered election schedule disrupted operational flexibility, leading to delayed repayments as the model thrives on door step collection. An unprecedented heat wave in North India impacted staff mobility. The rural income declined due to the impact of heat wave, erratic monsoon and flooding in many parts of the country. Rising over-indebtedness in certain geographies, higher staff attrition and incitement by non-state actors added further pressure on the asset quality.

During the year, we undertook a series of corrective actions — Further strengthening client selection processes, Establishing the collections team and improving collection efficiency through enhanced on-field engagement. These steps have stabilized the portfolio and created a stronger foundation for the future.

At the same time, this year was also a milestone for us as we expanded our operations into Telangana, Maharashtra, and Andhra Pradesh, thereby establishing our presence across the country and becoming a truly pan-India microfinance institution. This expansion strengthens our mission of providing financial inclusion to underserved communities and diversifies our portfolio across geographies, thereby improving our long-term resilience.

We view the year gone by as a period of consolidation and learning. The measures we have implemented — better client screening, improved risk analytics, and employee engagement initiatives along with the strict guard rails implemented by the Self Regulating Organizations (SROs) — are already beginning to show early signs of improvement. With rural demand gradually recovering and a more stable operating environment expected, we are optimistic about returning to a sustainable growth trajectory in the coming year.

We believe these initiatives will help us not only recover from the setbacks of the past year but also emerge stronger, more resilient, and better positioned to deliver impact at scale.

We would like to take this opportunity to express our heartfelt gratitude to all our stakeholders. To our employees, thank you for your relentless dedication, resilience, and passion in serving our clients even in a challenging environment. To our investors and lenders, we are deeply appreciative of your continued confidence and partnership, which has enabled us to sustain and strengthen our operations. We are equally grateful to our Board of Directors for their valuable guidance, strategic oversight, and unwavering support in navigating this difficult year. Together, you have been the pillars of our progress, and we are confident that with your continued trust, we will move forward with renewed purpose and optimism.

Warm regards,

Mr. Abhisheka Kumar  
Co-Founder & Managing Director

Mr. Malkit Singh Didyala  
Co-Founder & CEO

# About Us

Sindhujā Microcredit is a new-age, tech-enabled, rural-focused microfinance institution founded by banking professionals. The Company started operations on April 30th, 2018 with its Head Quarters in Noida and is currently operating with 368 branches in Bihar, Jharkhand, Chhattisgarh, Gujarat, Rajasthan, Haryana, Uttar Pradesh, Madhya Pradesh, Andhra Pradesh, Maharashtra, Telangana and Odisha. We are touching the lives of low-income women borrowers from under-served households in significant ways.

The Company offers credit to women of underserved household under JLC model for income generating activities. Our financial services are helping improve livelihoods, establish an identity, enhance self-image, and enabling our customers to be a part of decision-making at the household level.



## Mission

Sindhujā Microcredit aims to make financial services easily available to the financially excluded and MSME entrepreneurs through efficient, customer friendly and technology driven solutions.



## Vision

Our vision is to be one of the most admired financial service providers to over 2.5 million customers by 2025.



INTEGRITY



CUSTOMER  
FOCUS



PEOPLE  
FIRST



# Values



OPERATIONAL  
EXCELLENCE



INNOVATION

# Our Journey

## 2019

### QUARTER 1

Commenced MFI operations in Bihar under BC model and disbursed first loan on 30th April, 2018.

### QUARTER 2

Expanded to Jharkhand and Eastern part of UP

### QUARTER 3

Received NBFC- MFI license from RBI in Oct -18 and disbursed first loan under own book.

### QUARTER 4

Raised Series A of ₹ 25 crores from Carpediem Capital

## 2020

### QUARTER 1

In less than one year of operations, become profitable on monthly basis.

### QUARTER 2

Received Tranche II from Carpediem post RBI approval along with infusion from promoters, expanded to Chhattisgarh, became profitable on YTD basis.

### QUARTER 3

Expanded to Rajasthan.

## 2021

### QUARTER 1

In midst of COVID-19 pandemic, raised Series B of ₹ 65 crores and on boarded our second institutional investor - Abler Nordic

### QUARTER 2

Crossed 1,00,000 active customer base and ₹ 200 crores of AUM.



## 2022

### QUARTER 2

Opened 100th branch.

### QUARTER 3

Expanded to Haryana

## 2023

### QUARTER 1

Crossed AUM ₹500 Crores

### QUARTER 3

Expanded to Madhya Pradesh and Gujarat

### QUARTER 4

> Awarded "Microfinance of the year (medium)" by Inclusive Finance India  
> Raised equity of ₹32Cr from Carpediem and Abler Nordic

## 2024

### QUARTER 3

Expanded to Odisha

### QUARTER 4

> Crossed 1000Cr AUM  
> Raised Series-C of ₹120Cr from Gawa Capital & Oikocredit

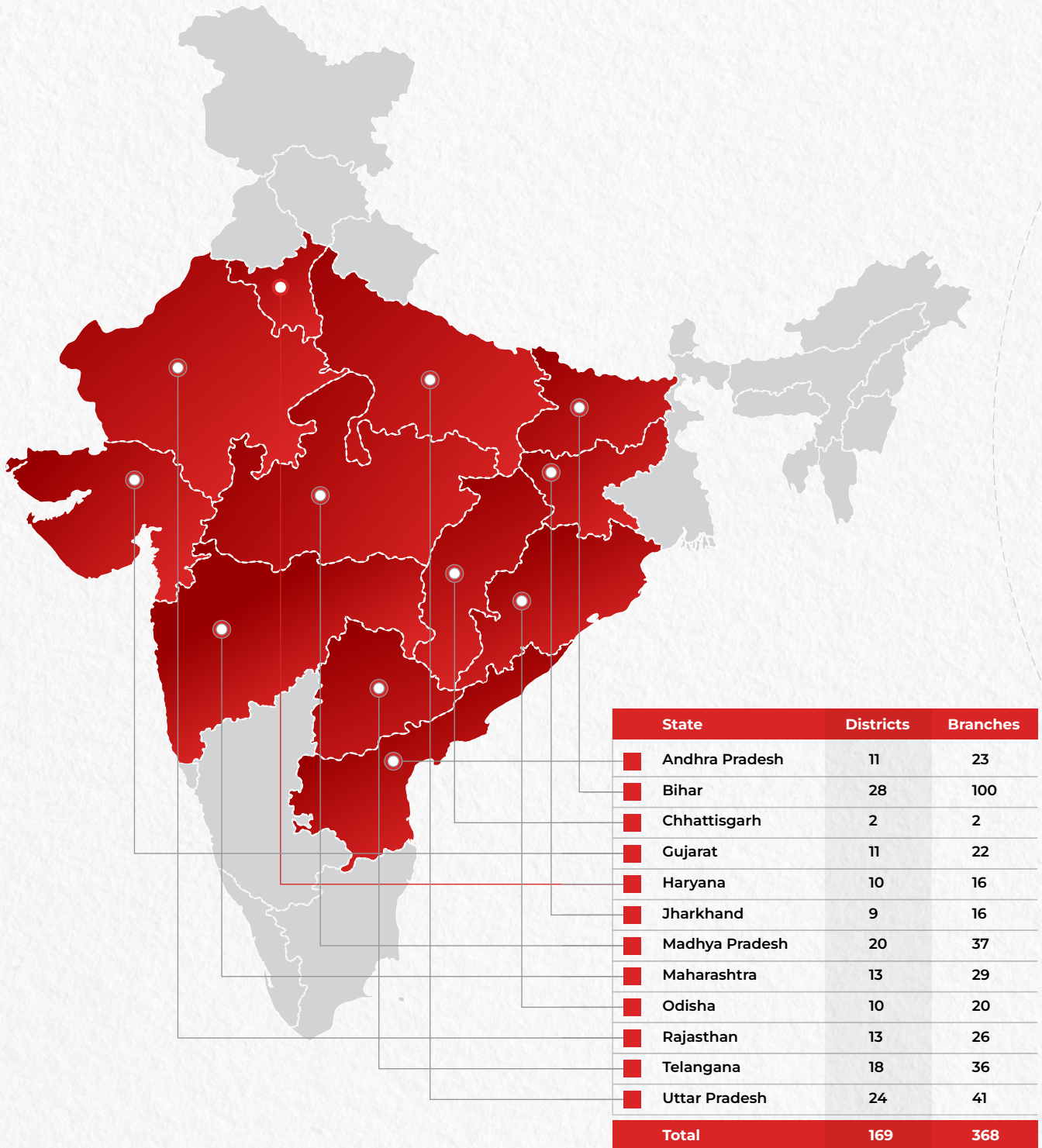
## 2025

### QUARTER 1

Expanded to 3 new states Telengana , Mahastra and Andhra Pradesh ; Started BC partnership with AUSFB



# Area of Operations












# Nurturing Futures. Empowering Lives.



# Our Products

Sindhuja's products are designed to best cater to the needs of underbanked customers. This plays a key role in creating immense value for customers through the complete lifecycle.

The Company offers microfinance loans for income generating activities to economically active women residing in low-income rural areas, generally involved in agri/agri-allied activities, production, trade and services. These unsecured loans are offered through the JLG (Joint Liability Group) model to minimize risk.



Product	Rate	Loan Size & Tenure
 <b>Sindhuja Ankur</b>	 <b>Interest Rate:</b> 25.5% - 25.75% p.a.	<b>₹30,000 to ₹55,000</b>  72-106 weeks, 53 Fortnights, 24 months
 <b>Sindhuja Pushp</b>	 <b>Processing Fee:</b> 1.25% - 1.5% plus GST	<b>₹60,000 to ₹70,000</b>  106 weeks, 53 Fortnights, 24 months
 <b>Sindhuja Pushpaj</b>	 <b>Insurance Fee:</b> 1.36% - 2.20%	<b>₹1,00,000 to ₹1,25,000</b>  128 weeks, 64 Fortnights, 32 months

Loan Cycle	Maximum Eligible Loan Amount	Eligible Loan Products
New to Credit	₹40,000	Sindhuja Ankur
1st Cycle	₹50,000	Sindhuja Ankur
2nd Cycle	₹60,000	Sindhuja Ankur, Sindhuja Pushp
Higher Cycle(s)	₹1,25,000	Sindhuja Ankur, Sindhuja Pushp & Sindhuja Pushpaj

All microfinance loan products of the Company are compulsorily backed by credit life insurance, that helps pay-off the entire principal amount in the unfortunate event of death of either borrower or guarantor.

The Company also offers a customised insurance product at a very minimal premium which is designed to protect the income up to ₹500 a day in the case of hospitalization of a customer or guarantor due to ill-health or accident.

Expanding beyond its strong rural foundation, Sindhuja offers urban-focused products like MSME loans, providing a broad spectrum of financial solutions tailored to evolving customer needs. These loans are offered to cater to the working capital needs of registered microenterprises. The Liquid Income Program (LIP) is designed for customers without documented income whereas those with documented income proofs such as GST, trade license, ITR, and the like are offered corresponding products.

 <p><b>Business Loan Silver</b></p>	<p><b>Interest Rate:</b> 22% – 25.5% p.a.</p>	<p><b>Processing Fee:</b> 2.5% plus GST</p> <p><b>Insurance Fee:</b> Based on age, loan size &amp; tenure</p>	<p><b>₹2,00,000 to ₹4,00,000</b></p> <p><b>3 – 8 years</b></p>
 <p><b>Business Loan Gold</b></p>	<p><b>Interest Rate:</b> 22% – 25.5% p.a.</p>	<p><b>Processing Fee:</b> 2.5% plus GST</p> <p><b>Insurance Fee:</b> Based on age, loan size &amp; tenure</p>	<p><b>₹4,00,000 to ₹7,50,000</b></p> <p><b>3 – 8 years</b></p>
 <p><b>Business Loan Diamond</b></p>	<p><b>Interest Rate:</b> 22% – 25.5% p.a.</p>	<p><b>Processing Fee:</b> 2.5% plus GST</p> <p><b>Insurance Fee:</b> Based on age, loan size &amp; tenure</p>	<p><b>₹7,50,000 to ₹15,00,000</b></p> <p><b>3 – 8 years</b></p>

Accepted Collateral Types
Property Type:
Self-occupied Residential Property (SORP)
Self-occupied Commercial Property (SOCP)
Mixed Usage Property (Self-occupied)
Mixed Usage Property (Partly self-occupied)
Commercial Rented Residential Rented
Plot – Non-agriculture
Vacant Property (Fully constructed Resi./Comm.)

# Operational Highlights

12

States

169

Districts

2,024

Employees

368

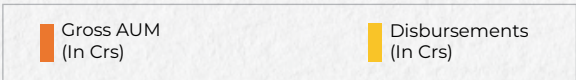
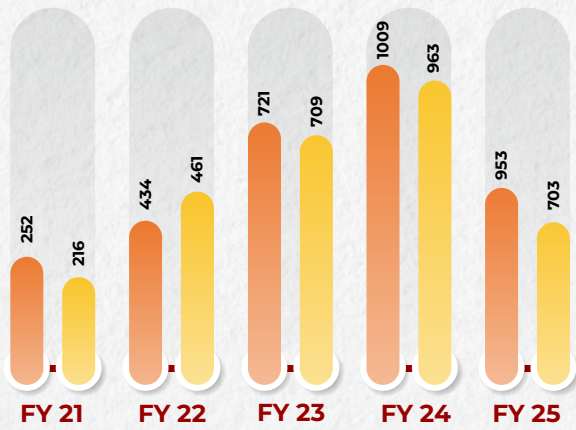
Branches

3.5

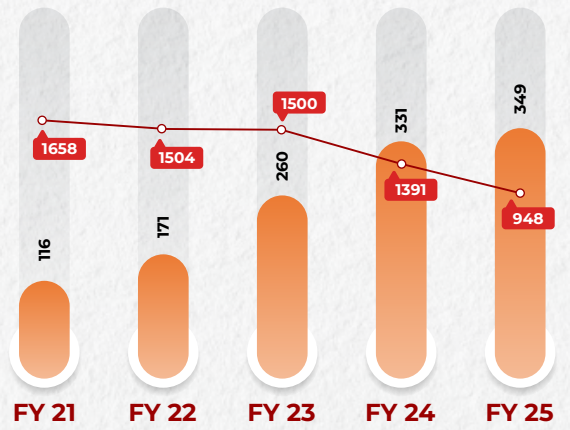
Lakh Customers



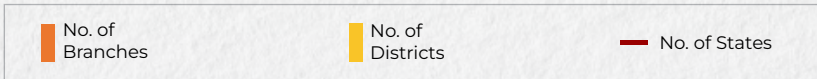
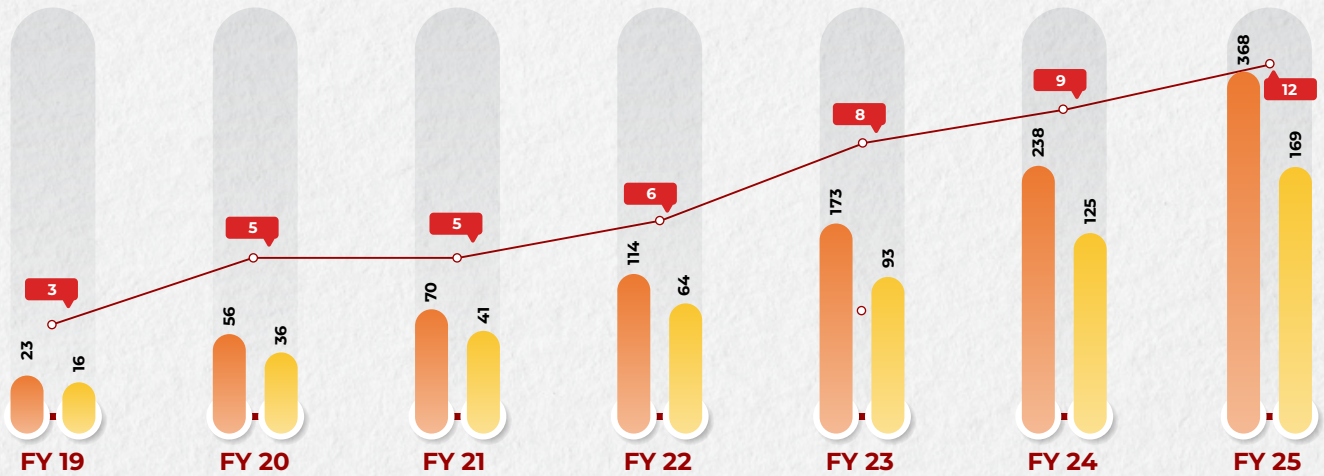
## AUM & Disbursements



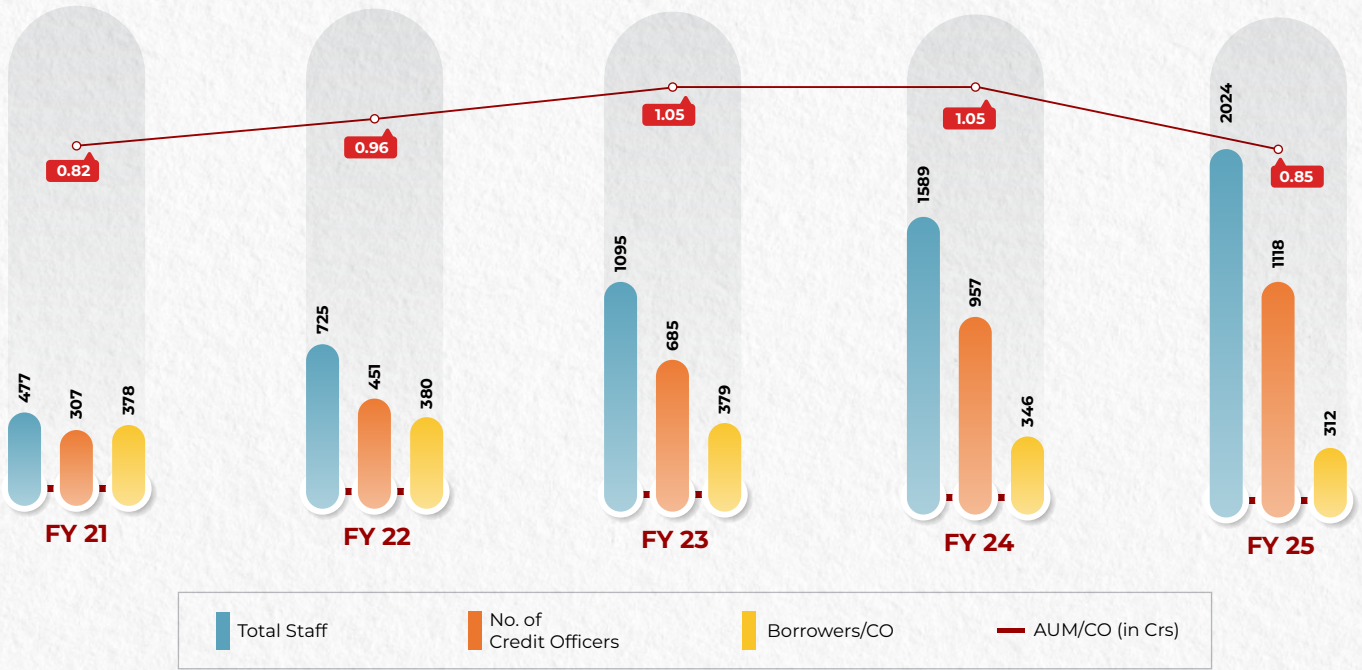
## Outreach



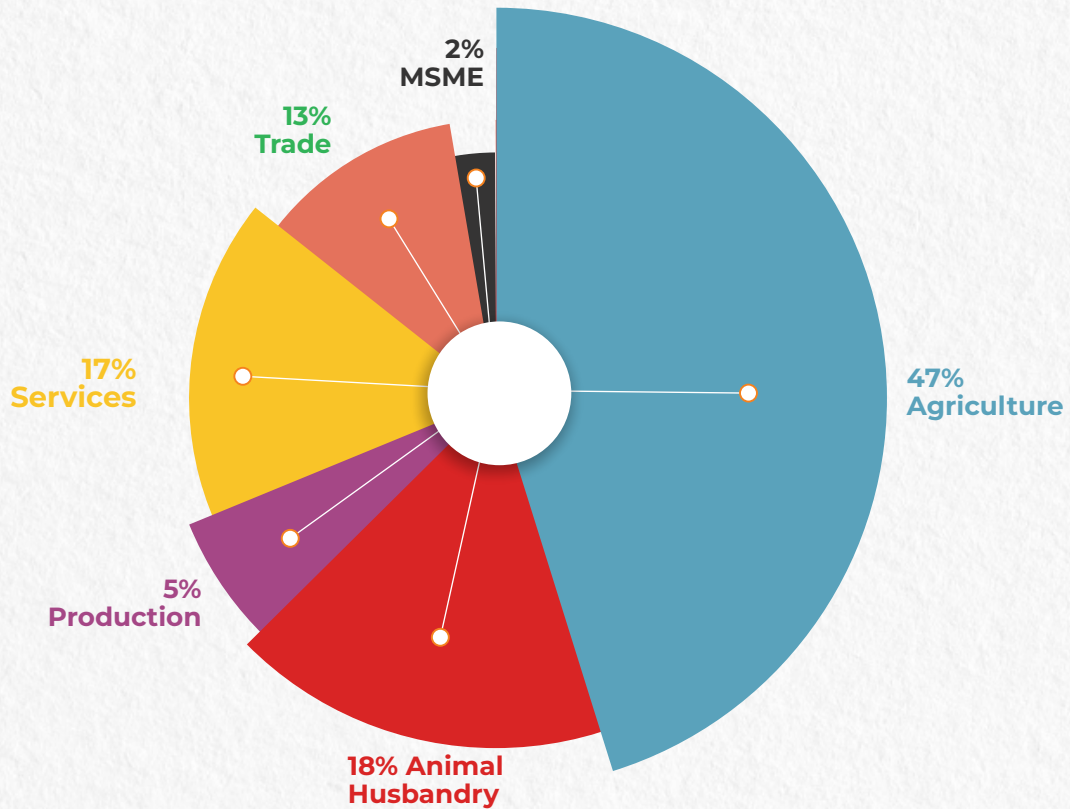
## Scale of Operations



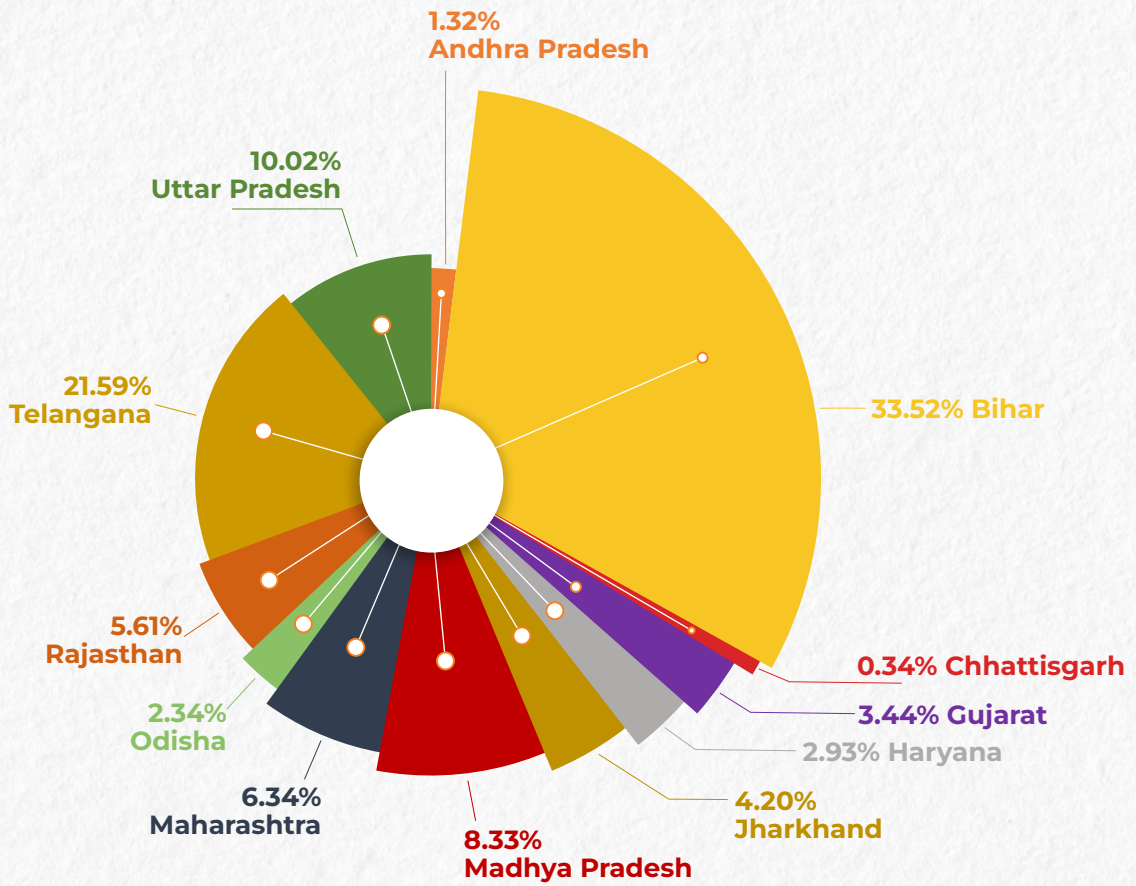
## Staff & Productivity



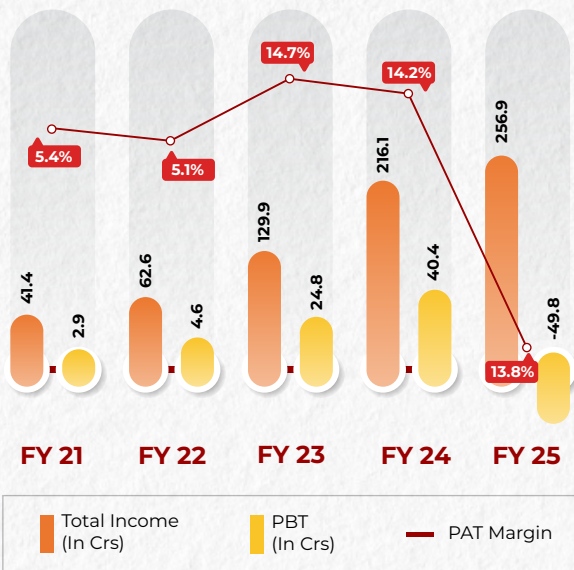
## POS Share by Livelihood Financed



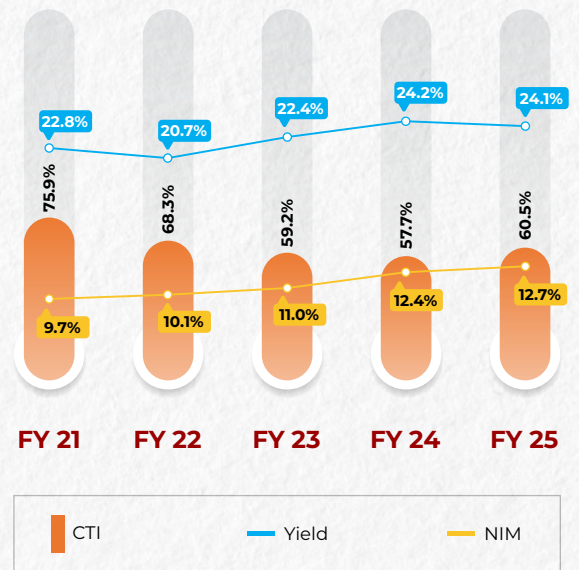
## POS Share by State



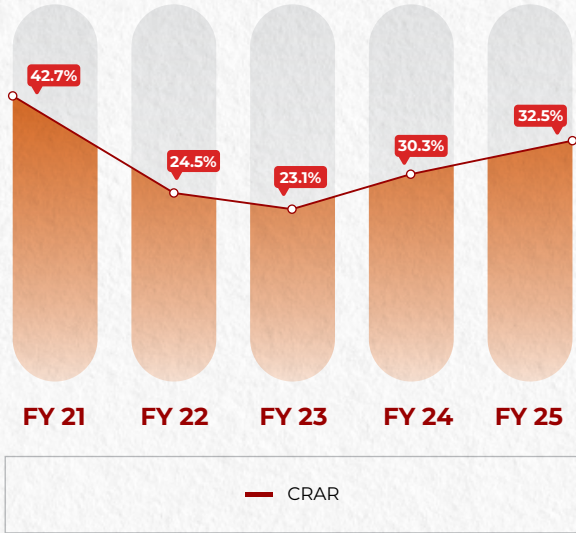
## Income & Profitability



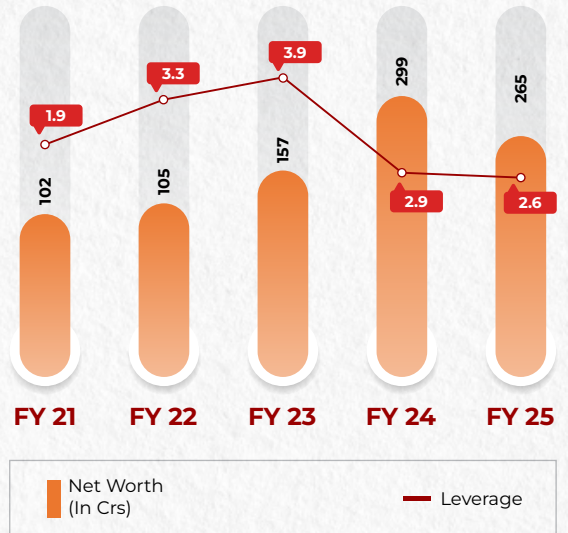
## CTI, Yield & NIM



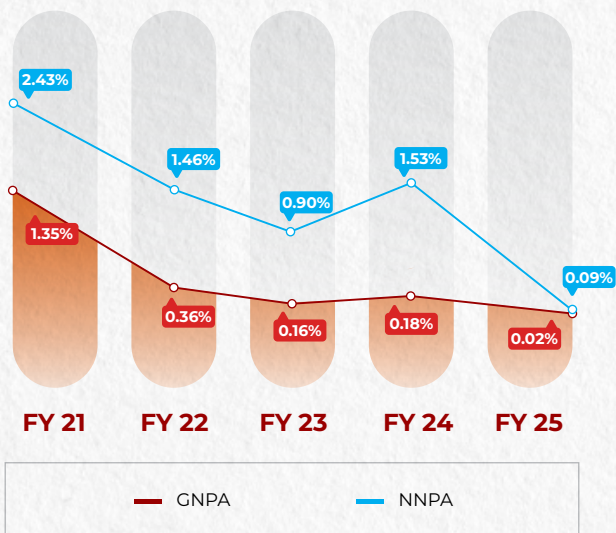
## Capital Adequacy



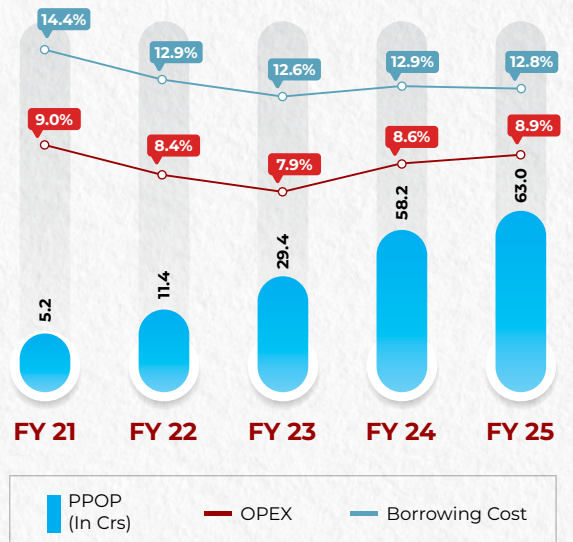
## Net Worth & Leverage



## Portfolio Quality



## PPOP, OPEX & Borrowing Cost





# Board of Directors



**MR. ABHISHEKA  
KUMAR**

MANAGING DIRECTOR

Mr. Abhisheka Kumar is the Co-Founder & Managing Director of Sindhuja Microcredit Pvt Ltd. He is in the microfinance space since 2004. He has experience of sitting across all sides of the table - Donor, Technical Assistance Provider, Mentor, Lender and Microfinance Practitioner, He has a holistic understanding of the sector, the challenges faced in the past and perspective on the road ahead. He has the unique experience of being the founding team member of a new generation Micro Finance Company and Small Finance Bank in India where as part of leadership team steered the start-up to a major MFI & then to an SFB. Abhisheka has rich experience in Fund raising, Preparing Business Model, Investor Relations, Risk Management, Audit & Compliance etc. He has earlier worked with FWWB, ICICI Bank and Utkarsh Small Finance Bank. He is a graduate from St. Xavier's College Kolkata and has done post-graduation in Rural Management from Institute of Rural Management Anand (IRMA).



**MR. ABHISHEK  
SHARMAN**

NOMINEE DIRECTOR

Mr. Abhishek Sharman is the founder and Managing Director of Carpediem Capital. He is responsible for driving the overall strategy and investment decisions, while also spearheading fund-raising activities. He was previously a Principal at India Equity Partners ("IEP"), an India-focused private equity fund with approximately USD 350 Mn in AUM. During his tenure at IEP, he worked across diverse sectors such as healthcare, education, managed services, consumer services, and financial services. Prior to IEP, he was an investment professional with SUN Group, a private equity firm focused on emerging markets, primarily Russia and India, with USD 2 Bn in investments. He has received a management degree from the Indian Institute of Management (IIM), Calcutta and an engineering degree from the Indian Institute of Technology (IIT), Delhi.



**MR. AMEET  
GOYALL**

NOMINEE DIRECTOR

Mr. Ameet Goyall brings with him over 23 years of experience, of which ~17 years have been in PE/VC space across India, South Asia & South-East Asia, and earlier in Corporate Finance & Entrepreneurship. He has been involved in over USD 325 Mn of equity investments across sectors like Financial Services, Consumer, Healthcare, Agribusiness, Manufacturing, etc. He earlier had stints with Phi Capital, DEG (The German Development and Investment firm), Sun Group & J P Morgan. He has been involved in marquee transactions like Classic Legends (Jawa motorcycles), MAS financial, Equitas, J K Paper, among others and was active not just at board level but also at operational level across various portfolio companies. He is a Chartered Accountant and has a management degree from Indian School of Business (ISB, Hyderabad). He did his under graduation from Shri Ram College of Commerce, Delhi University.



**MR. DIWAKAR PUNDIR**

INDEPENDENT DIRECTOR

Mr. Diwakar Pundir has experience of more than 18 years in the Banking & NBFC industries with specialization in Risk Management & Underwriting in SME & Mid-market Segments, across products like Working Capital & Term Loans, Business Loans, Home Loans, Loans Against Properties, Personal Loans, Construction Equipment Finance, Loans Against Liquid Securities, etc. He was the Chief Commercial Credit Officer and a Member of the Senior Management Team at Bajaj Finance Ltd (BFL). He has also worked in Citi Bank and ICICI Bank. In 2019 he founded STFT Finance Pvt Ltd - an NBFC engaged in Small Business Loans (LAP and Unsecured Business Loans) to Micro Enterprises. Diwakar received a management degree from Indian Institute of Management, Bangalore, and an engineering degree from the University of Roorkee.



**MR. MALKIT SINGH DIDYALA**

WHOLE TIME DIRECTOR  
CEO & CIO

Mr. Malkit Singh Didyala is the Co-Founder and CEO of Sindhuja Microcredit Pvt Ltd. Malkit has over 18 years of experience in banking, finance and development sector with reputed financial institutions like ICICI Bank, Bajaj Finance Ltd. and Utkarsh Small Finance Bank. His experience is steeped in business development roles across Microfinance, MSME Lending, Mortgage Lending and Institutional Lending. He also has a keen interest in technological innovations impacting financial services and inclusive finance. He is an alumnus of Institute of Rural Management, Anand (IRMA) and Regional Institute of Education, Bhubaneswar.



**MR. SANDEEP PHANASGAONKAR**

INDEPENDENT DIRECTOR

Mr. Sandeep Phanasgaonkar is founder of 'agileTvantages' and advises enterprises, large consulting firms and PE/VC portfolio companies in digital business strategy, transformation and governance. Sandeep was Group CIO at Access Bank, a dominant Nigerian and pan African bank. He was President & Chief Technology Officer for Reliance Capital Ltd. He led transformation in RCap in Virtualization, Mobility, Cloud Computing & Business Intelligence. Sandeep began his career with the State Bank of India. He then worked for Tata Unisys as consultant for banking technology for offshore development centers and product development. He later worked with Oracle Financial Software, a world leader in banking ERP systems as senior consultant for global pre-sales and implementations. Sandeep became Regional Technology Head of Deutsche Bank for Asia and saw the bank through its crucial Y2K phase and key implementation+I8 of cash management systems. He subsequently joined GE Capital as India CIO & took over as Global CIO of Genpact, India's largest BPO/ITES Company. He led the critical IT Migration of Genpact from GE after its divestment. Sandeep has an MBA in Finance from JBIMS, Mumbai University, a diploma in Digital Strategies for Business from Columbia Business School and certification in Artificial Intelligence, Design Thinking from MIT Sloan.



**MS. JAGRITI  
BHANDARI**

NOMINEE DIRECTOR

Ms. Jagrit Bhandari with over 3 years of experience in PE, M&A and Strategic Consulting projects, Jagriti has worked across transaction origination, execution and relationship management. Prior to joining Abler Nordic, she was a part of the Investment Banking team at ValPro with a focus on PE and M&A transactions across sectors. She also managed their private investment portfolio of early-stage start-ups. Previously, she worked with TresVista, Mumbai. She holds an MBA degree (finance major) from NMIMS, Mumbai and B. Tech in Information Technology. She also holds a certification in Social Impact Analysis from Acumen.



**MR. AGUSTIN  
VITORICA**

NOMINEE DIRECTOR

Mr. Agustin Vitorica is the Founder and Co-CEO of GAWA Capital, Spain's leading impact investing firm with over €200 million in Assets under Management or Advisory through four impact investing funds launched in the last 14 years. Agustin has been instrumental in the introduction of Impact Investing as an asset class in Spain, having closed alliances with leading private banks, large wealth managers and traditional asset managers. GAWA Capital has completed over 70 investments worldwide in areas such as micro finance, SME financing and smallholder agriculture finance having improved the lives of more than 800 thousand low income individuals in emerging markets. Agustin is Master of Business Administration by Kellogg School of Management and holds 23 years of private equity experience and is also a Founder and Member of the Executive Committee of SpainNAB, Spain's association for impact investing. He teaches at Universidad Autonoma's Impact Investing Course and he is also a teacher of impact investing at IE University.



**MS. LAETITIA  
COUNYE**

NOMINEE DIRECTOR

Ms. Laetitia Counye is currently active as an independent advisor in the sector of impact investments. She has started her career in the banking sector within the investment management department of ING Belgium. Since 2007, she has been active as an investment professional within the sector of impact investments in developing countries worldwide. As a private equity investment officer, she has investigated and managed investment projects in Microfinance Institutions with Incofin (2007 to 2011). From 2012 to 2023, she held positions as a Senior Investment Officer and Manager within the investment department of the Belgian Investment Company for Developing Countries (BIO). Her focus was mainly on the private equity activities of BIO through investments in financial institutions and private equity funds active in Africa, Asia and Latin America. During those years, she was member of the Board of Directors of Annapurna Finance (between 2014 and 2021) and was part of the Board of Directors of Fusion Microfinance for a brief period before BIO sold its stake in the company in 2018.

# Leadership Team

## ■ Sales Leaders



**NAGENDRA  
NASHINE**

BUSINESS HEAD - JLG



**PRAVIN  
KUMAR**

CREDIT HEAD - MSME



**N  
RAMAKRISHNA**

SENIOR ZONAL HEAD



**DEEPAK  
CHAUDHARY**

ZONAL MANAGER



**RAJEEV  
KUMAR RAI**

ZONAL MANAGER



**CHANDAN  
SINGH**

ZONAL MANAGER



**SUMIT  
KUMAR PATHAK**

ZONAL MANAGER



**VINOD  
KUMAR SINGH**

ZONAL MANAGER



**NIHAR  
RANJAN SAHU**

ZONAL MANAGER



**MOHINDER  
SHARMA**

REGIONAL MANAGER



**SHAILESH  
KUMAR MACHHI**

REGIONAL MANAGER



**ISHWAR  
SINGH CHAWDA**

REGIONAL MANAGER



**MILIND  
MADHUKAR**

REGIONAL MANAGER



**SANTOSH  
SINGH**

REGIONAL MANAGER



**PRAMOD  
KUMAR MISRA**

REGIONAL MANAGER

## ■ Functional Heads



**PANKAJ  
SINHA**

COMPANY SECRETARY  
& CHIEF COMPLIANCE  
OFFICER



**ROHIT  
TANDON**

HEAD, FINANCE



**AKHILESH  
DUBEY**

HEAD, ACCOUNTS



**VIMAL  
KUMAR**

DVP, HR, Recruitment  
& Training



**PANKAJ  
RAUTELA**

AVP, AUDIT



**PALLAVI  
JAIN**

AVP, HR



**SANCHIYTA  
NARULA**

AVP, COMPLIANCE

# Our Institutional Investors



Carpediem Capital is an Indian private equity fund manager focused on the India consumption opportunity through investments in emerging SME (small and medium enterprise) leaders. Carpediem Capital's investments are centred on two broad consumption themes - companies that are creating consumer brands or are providing organized services that have been traditionally unorganized and fragmented.

Led by senior professionals, Carpediem Capital has a strong team with a clear vision to best leverage this opportunity. The senior team has both investing and operational skills and has rich experience and deep understanding of the sectors it focuses on.

## Abler Nordic

Abler Nordic (formerly Nordic Microfinance Initiative) was established in 2008 in Oslo, Norway as a partnership between the public sector and private investors. Norfund and IFU, the Norwegian and Danish governmental investment funds for developing countries, represent the Norwegian and Danish States. Private investors include DNB Livsforsikring, Ferd, KLP, Lauritzen Fonden, PBU, Storebrand, TD Veen and Koldingvej 2, Billund A/S.

Abler Nordic is registered with The Financial Supervisory Authority of Norway as Alternative Investment Fund Manager (AIFM). Abler Nordic's overall goal is to build sustainable financial institutions that enable low-income households in developing countries to create a better future. Abler Nordic combines existing experience in the field of microfinance and international development cooperation, with the capital strength and financial experience of institutional investors.

# Invest



Founded in 2009, GAWA Capital is a leading impact investing advisory firm based out of Spain. They seek to improve the lives of low-income communities by promoting investment in social enterprises, whilst also providing a financial return to investors. Their investment philosophy is rooted in the belief that real, transformative change can only be driven by financially sustainable business models that provide tailor-made solutions to critical issues such as poverty or climate change.

To date, GAWA has advised 49 investments in 19 countries around the globe, directly impacting around 545,000 families.



Oikocredit is a Dutch social impact investor and worldwide cooperative with nearly five decades of experience funding organisations active in financial inclusion, agriculture and renewable energy.

Oikocredit's loans, equity investments and capacity building aim to enable people on low incomes in Africa, Asia and Latin America to improve their living standards sustainably.

Owned by over 48,000 individual and institutional investors, the cooperative finances more than 520 partners, with total outstanding capital of EUR 1,136 million (at March 2024).



MANAGEMENT  
DISCUSSION  
AND ANALYSIS

**MANAGEMENT  
DISCUSSION  
AND ANALYSIS**

## STATE OF THE ECONOMY

India's economic trajectory in 2024–25 emerged as a standout amidst a challenging global backdrop marked by escalating global trade tensions and persistent geopolitical uncertainties. Further, domestic growth engines, viz., consumption and investment, remain relatively less susceptible to external headwinds. The unflinching navigation of brighter prospects reinforces the belief in India's emergence as a knowledge economy where globally competitive manufacturing should thrive sans barriers. As per the second advanced estimates of National Statistics Office (NSO), the real GDP is estimated to grow by 6.5% in FY2024-25. According to NSO data, Private Final Consumption Expenditure (PFCE) is expected to register a growth of 7.6% in 2024-25 as compared to 5.6% during previous year (Source – NSO). Rural economy continued to be strong with rural demand remaining healthy. Rural areas have experienced a notable rise in consumer spending, with per capita expenditure growing by 9.2% in 2025, surpassing the 8.3% growth observed in urban regions.

India's real GDP surged by 7.4% year-on-year, the highest quarterly growth of the fiscal year, driven by a sharp rebound in industrial activity, particularly manufacturing, mining, and construction, alongside a significant uptick in net indirect tax collections. In its June 06, 2025 policy review, the RBI executed a 50 bps repo rate cut, bringing the rate down to 5.50%, and simultaneously trimmed the Cash Reserve Ratio (CRR) by 100 bps, injecting nearly INR 2.5 Trillion of liquidity into the banking system. This front-loaded easing, building on earlier cuts of 25 bps in February and April, signals a decisive pivot to rejuvenate growth. The policy stance has shifted from 'accommodative' to 'neutral,' reflecting a strategic pause, even as the central bank signals readiness to act further if conditions warrant. With inflation firmly under control and ample liquidity, these measures aim to stimulate lending (especially to MSMEs and retail borrowers), support credit transmission, and fortify the broader economic recovery amid external uncertainties.

India's retail inflation is showing signs of considerable moderations, though vagaries of supply side disruptions, including weather related upheavals, can shake the calculations periodically. CPI headline inflation continued its declining trajectory in March and April, with headline CPI inflation moderating to a nearly six-year low of 3.2% (year-on-year) in April 2025. This was led mainly by food inflation which recorded the sixth consecutive monthly decline. Going forward assuming a normal monsoon, CPI inflation for the financial year 2025-26 is now projected at 3.7% (Source: RBI)

India's prospects for 2025–26 remain resilient, with GDP projected to grow by 6.5% (Source: RBI). This positive curve is supported by a combination of strong domestic fundamentals and strategic policy initiatives. The gradual revival in private capital expenditure and steady improvement in consumption are anticipated to be the key drivers of economic momentum.

## NBFC SECTOR

India's NBFC sector continues to play a pivotal role in enabling economic dynamism, fostering inclusive growth, and supporting the nation's digital transformation. NBFC's witnessed robust credit growth of 15-18% Y-o-Y in FY25 lead by retail lending, MSME and housing segments.

Also, the sector operated against a backdrop of regulatory tightening, global volatility, and evolving macroeconomic conditions in the year. While India's overall growth outlook stayed positive, the tightening of credit norms, particularly in the unsecured lending space, tempered the pace of expansion across key financial segments. RBI flagged concerns over higher exposure to unsecured loans leading to tighter norms and degrowth of portfolio in FY25.

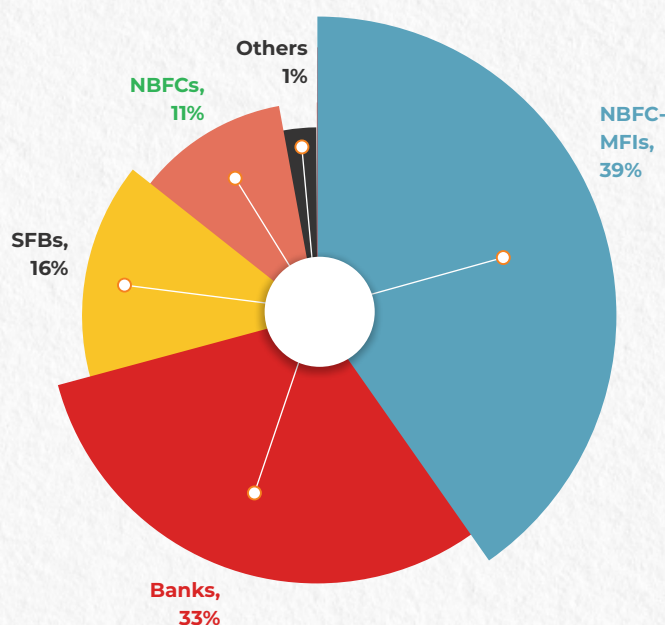
While bank funding to the NBFC sector has seen some moderation, it remains a critical factor in the growth outlook. The growth of NBFC's of FY 26 is projected to be moderate ~ 13-13.5% due to factors like stricter underwriting and continued caution in lending.

## MICROFINANCE INDUSTRY

The Indian microfinance sector in FY25 navigated a period of consolidation amidst rising operational headwinds and regional disparities. Despite a challenging year with multiple headwinds, microfinance institutions (MFIs) have continued to provide essential financial services at the grassroots level, aligning with the national goal of equitable development and financial empowerment for all. Self-Regulatory Organisations (SROs) played a pivotal role as the industry collectively addressed on-ground challenges, culminating in the phased introduction of guardrails striking a crucial balance between operational integrity and advancing financial inclusion.

The Indian microfinance industry witnessed a degrowth of 13.5% YoY in gross loan portfolio to ₹ 3.75trillion, catering to 78 million unique borrowers at the end of March 2025. The NBFC-MFI segment continued to lead the sector with a 39.3% share of the universe portfolio, followed by Banks at 32.8%, SFBs at 15.8%, and NBFCs/Others at 12.1%. A total of 212 lending institutions served microfinance borrowers – 93 NBFC-MFIs, 17 Banks, 10 SFBs, and 92 NBFCs across the

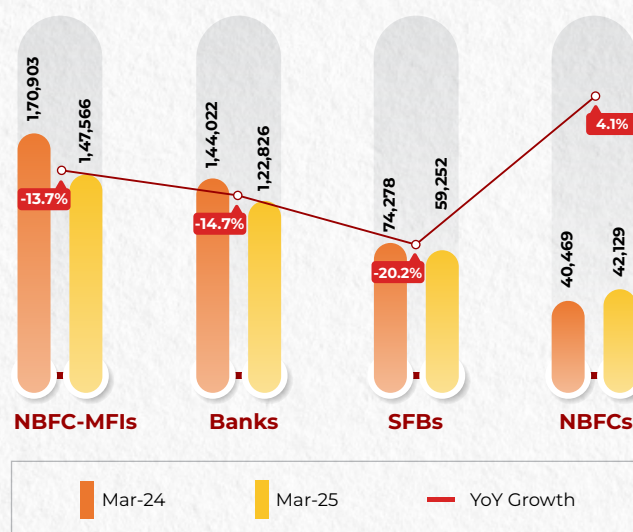
### Micro-credit POS Share%



Source: MFIN

During 2024–25, the sector faced significant headwinds largely driven by multiple factors such as prolonged election-related disruptions, severe heatwaves, rising borrower indebtedness straining repayment capacities and operational challenges, particularly in terms of asset quality. Amidst this volatile landscape, the microfinance sector disbursed INR 2,78,713 Crores across 5.4 Crore loan accounts in 2024–25, marking a year-on-year degrowth of 16.9% and 25.4%, respectively.

## YoY POS Growth Trends



Source: MFIN

In Jun25, the RBI announced major relaxation for NMFC- MFI by reducing the minimum qualifying asset criteria from 75% to 60%. The move is aimed at increasing operational flexibility, allowing to diversify into secured lending, supporting risk management and encouraging product innovation.

## OVERVIEW OF COMPANY'S PERFORMANCE

### Operational Performance

The company achieved significant geographic expansion despite the sectoral stress. Through the financial year, a total of 134 new branches (122 JLG & 12 MSME) were opened across the country. The new state of Andhra Pradesh contributed 23, Maharashtra contributed 29 and Telangana contributed 36 of these new branches. Business expansion was also carried out across the states of Madhya Pradesh (4 branches), Odisha (3 branches), Bihar (26 JLG branches & 10 MSME branches), Chhattisgarh (1 branch) and Uttar Pradesh (2 MSME branches).

The below table depicts the y-o-y change across various parameters:

Parameter	Mar'24	Mar'25	YOY Change
AUM (crs)-JLG	1,004.72	937.60	-6.68%
AUM (crs)-MSME	4.29	14.96	248.47%
Customers ( lakhs)	3.31	3.49	5.37%
Districts	125	169	35.20%
Branches	238	368	54.62%
Employees	1589	2024	27.38%

## State-wise POS Share

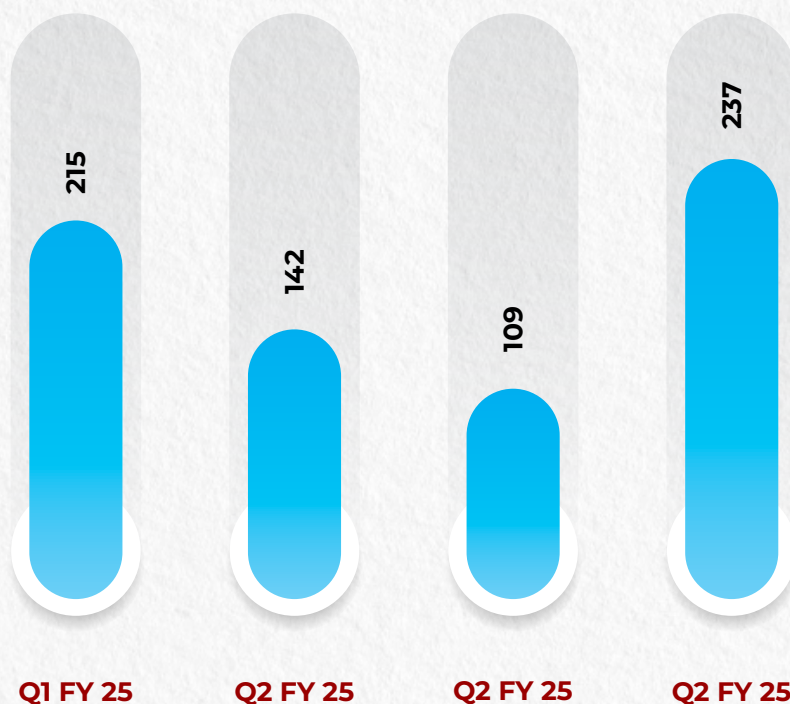
The Geographical concentration improved significantly in FY 25 majorly driven by expansion in the states of Telangana, Andhra Pradesh and Maharashtra. Below chart shows relative shares of states in last 5 years.

State Wise	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Bihar	64.09%	47.97%	47.18%	52.23%	33.52%
Telangana	0.00%	0.00%	0.00%	0.00%	21.59%
Uttar Pradesh	7.90%	20.59%	19.62%	16.83%	10.02%
Madhya Pradesh	0.00%	0.00%	4.29%	8.52%	8.33%
Maharashtra	0.00%	0.00%	0.00%	0.00%	6.34%
Rajasthan	12.79%	11.26%	12.38%	7.86%	5.61%
Jharkhand	13.03%	6.73%	8.74%	6.28%	4.20%
Gujarat	0.00%	0.00%	1.14%	4.23%	3.44%
Haryana	0.00%	11.52%	5.62%	3.10%	2.93%
Odisha	0.00%	0.00%	0.00%	0.51%	2.34%
Andhra Pradesh	0.00%	0.00%	0.00%	0.00%	1.32%
Chhattisgarh	2.19%	1.93%	1.02%	0.53%	0.34%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## Disbursements

Across the financial year, a total of about ₹703 Cr were disbursed through 1.43 lakh loans. The average size of loan disbursed during the year was ₹49,129. The quarter-wise disbursements for FY25 is provided in the below table.

### DISBURSEMENTS ( IN CR )



## Financial Performance

### Operating performance

Operating revenue increased by 29% YoY from ₹123.50 Cr in FY24 to ₹159.36 Cr in FY25. Net interest income (NII) experienced growth, rising by 12% to ₹123.37 Cr in FY25, compared to ₹109.87 Cr in FY24. Non-interest income, comprising Processing fees, Income from Business Correspondence, and other sources, increased by 164% to ₹35.99 Cr in FY25

Operating expenses rose by 35% from ₹71.29 Cr in FY24 to ₹96.35 Cr in FY25, mainly driven by higher business volumes. Provisions and contingencies increased by 854%, amounting to ₹112.85 Cr in FY25, as opposed to ₹11.82 Crores in FY24.

The Company's operating profit witnessed growth of 21% to ₹63.01 Cr in FY25, compared to ₹52.21 Cr reported in the previous year. The Company's reported net loss of ₹-35.44 Cr for the fiscal year ending March 31, 2025, compared to the net profit of ₹30.63 Cr reported in the previous year largely on account of higher credit cost in the year.

(in ₹ Crores)

Particulars	2024-25	2023-24	% Change
Net interest income	123.37	109.87	12%
Non-interest income	35.99	13.63	164%
Operative revenue	<b>159.36</b>	<b>123.50</b>	<b>29%</b>
Operating expenses	96.35	71.29	35%
Operating profit	<b>63.01</b>	<b>52.21</b>	<b>21%</b>
Provisions and contingencies*	112.85	11.82	854%
Profit before tax	<b>-49.85</b>	<b>40.39</b>	
Provision for tax	-14.41	9.76	
Net profit	<b>-35.44</b>	<b>30.63</b>	

\*Includes managed book

### Net Interest income

NII constituted 78.11% of the operating revenue and increased by 12 % from ₹109.87Cr in FY24 to ₹123.37 Cr in FY25. The increase was primarily due to higher average own book portfolio compared to the previous year. During this period, the yield on interest earning assets slightly decreased from 25.0% in FY24 to 24.2% in FY25 due to rise in NPA. Cost of funds decreased by 10 bps from 12.9% in FY24 to 12.8% in FY 2025. The marginal cost of fund for the year was 12.6% for the year as compared to 12.8% a year ago due to better borrowing mix.

(in ₹ Crores)

Particulars	2024-25	2023-24	% Change
Interest on loans	205.88	195.74	5%
Interest on FD	15.04	6.74	123%
<b>Interest Income</b>	<b>220.92</b>	<b>202.47</b>	<b>9%</b>
Finance Cost	97.55	92.60	5%
<b>Net Interest income</b>	<b>123.37</b>	<b>109.87</b>	<b>12%</b>
Average interest earning assets	852	782.6	9%
<b>Net Interest Margin*</b>	<b>14.5%</b>	<b>11.6%</b>	
Yield on advances	24.2%	25.0%	
<b>Cost of funds</b>	<b>12.8%</b>	<b>12.9%</b>	

\*NIM = NII/ average interest earning assets

## Operating Expenses

The operating expenses of the Company increased during the year by 35% YoY from ₹ 71.29 Cr in FY24 to ₹96.35 Cr in FY25 as the Company continued to invest in human capital for supporting the existing and new businesses.

Staff cost increased by 30% from ₹56.46 Cr in FY24 to ₹73.33 Cr in FY25, primarily on account of increase in employee strength from 1,589 as at end of FY24 to 2,024 as at the end of FY25. Admin exp. (excluding depreciation) increased by 61% from ₹12.91 Cr in FY24 to ₹20.78 Cr in FY25. The increase is primarily due to acquisition of south portfolio along with manpower and branch office, higher business volumes, opening of new branches, etc.

(in ₹ Crores)

Particulars	2024-25	2023-24	% Change
Staff Cost	73.33	56.46	30%
Depreciation	2.24	1.93	16%
Admin Cost	20.78	12.91	61%
<b>Operating Expenses</b>	<b>96.35</b>	<b>71.29</b>	<b>35%</b>
<b>Cost: Income Ratio</b>	<b>60.5%</b>	<b>57.7%</b>	

## Provisions, contingencies & write off

The Company provided ₹112.85 Cr towards non-performing assets including written off of ₹113.25 Cr portfolio compared to ₹11.82 Cr last year. This includes technical write off ₹100.04 Cr during the year. The company GNPA & NNPA stands at 0.09% and 0.02% as of March 2025.

(in ₹ Crores)

Particulars	2024-25	2023-24	% Change
Provisions on Portfolio	-0.39	8.25	-105%
Write off	113.25	3.57	3070%
<b>Total Credit Cost</b>	<b>112.85</b>	<b>11.82</b>	<b>854%</b>
<b>GNPA</b>	<b>0.09%</b>	<b>1.53%</b>	
<b>NNPA</b>	<b>0.02%</b>	<b>0.18%</b>	

\*Includes opening provisions of the year in managed book

## Equity Infusion

The Company's overall Capital Adequacy Ratio (CAR) stood at 32.51 % at the end of the year, well above the benchmark requirement of 15% stipulated by Reserve Bank of India (RBI). Of this, Tier I CAR was 31.81%. As on March 31, 2025, the Company's Tier II CAR stood at 0.70%.

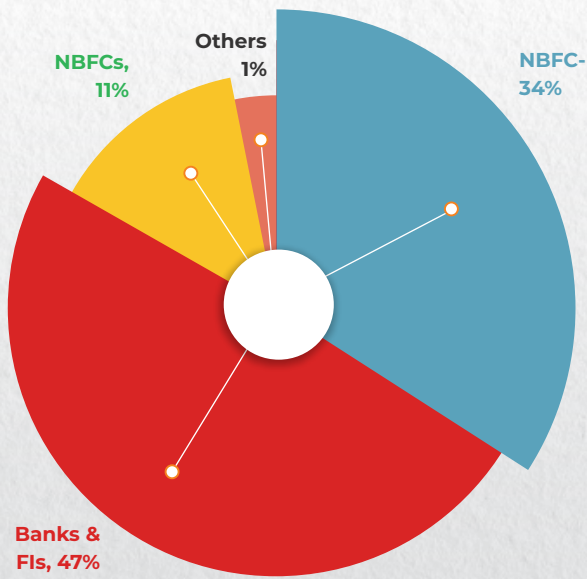
## Debt Funding

The Company has been actively working to diversify its borrowing sources and establish strong relationships with both existing and new lenders. To meet current funding requirements, the Company has borrowed from various entities such as public and private banks, financial Institutions, Foreign Institutional Investors etc. The total number of lenders at the end of the year was 41.

The Company has continuously demonstrated the ability to raise, renew and manage its funding lines with the focus on reducing the overall cost of funds. The Company obtained incremental draw downs of ₹377.23 crores in FY25 which has decreased from last year largely on account of lower funding requirement during the year.

A diversified funding base creates opportunities for access to a wide array of funding that consistently supports the core mission, goals, and services of an organization. The Company is conscious of this and consistently endeavours to diversify its funding base as well as diversify the funding instruments. During the year, the Company has received funds of ₹377.23 Cr through both term loans, NCDs and ECB's. The share of term loans, NCDs and ECBs was ~75%, 14%, 11% respectively as of March 2025. The Company shall continue to make efforts to diversify its funding avenues both in terms of funders and funding instruments.

**41** Lenders | **377CR** Raised in FY 25



Over the recent years, the Company has consistently focused on increasing its share of borrowings from banks. As of March 2025, more than 47% of borrowings were from banks & FIs.

### Asset Liability Position

A mismatch in the tenure of borrowed and disbursed funds could result in a liquidity crunch and impact on the Company's ability to service its loans. Hence, it is imperative that there exists no negative mismatch between the tenure of borrowings portfolio and portfolio.

The maturity schedule for all financial liabilities and assets is regularly reviewed and monitored. The company has assets liability management (ALM) policy and ALM Committee to review and monitor liquidity risk and ensure compliance with the prescribed regulatory requirement. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any maturities, particularly in the short term. The Company has always been to maintain a positive asset-liability mismatch, where the maturity of assets is consistently lower than the maturity of liabilities.

## HUMAN CAPITAL

At the heart of our microfinance operations is a dedicated and dynamic team that drives our mission to empower underserved communities through inclusive financial services. Our human capital is our most valuable asset, and we continuously invest in building a knowledgeable, motivated, and ethically grounded workforce that aligns with our organizational goals. It is a constant effort to improvise from where the Company stands in terms of benefits, rewards and recognition.

### Strategic Talent Acquisition

The company focus was on hiring individuals who understand local communities and are committed to inclusive finance. While the company values experience, it also invest in training new entrants to the sector who show promise and alignment with our values. Our team includes a strong mix of field officers, credit managers, and support staff who are grounded in the realities of rural and peri-urban markets.

### Performance and Accountability

The company maintains a performance-driven culture, encouraging personal accountability, innovation, and excellence. Clear deliverables and a transparent feedback mechanism help employees grow professionally while aligning their contributions with the company's broader mission. The company maintains a results-oriented approach that ensures each employee's efforts contribute to our wider business goals—such as portfolio health, client retention, and operational efficiency.

### Employee Engagement and Well-being

The company foster's a positive work environment that prioritizes employee well-being and job satisfaction. From employee wellness session to employee recognition initiatives, our focus is on building a supportive and inspiring workplace where people can thrive.

As the company continue to expand, it remain committed to building a workplace rooted in integrity, fostering organizational growth, and investing in the well-being of our people. Our staffing model allows us to expand into new markets in a structured, cost-efficient way. Our approach balances speed and quality by ensuring that each new branch is staffed with trained who can build trust and deliver services effectively from day one. The Company also has innovative benefits like gifts on birthdays, weddings, sibling wedding and for children

### Growth during the year

The Company has expanded its operations significantly over the past year and this has been adequately supported by human capital growth. The overall employee strength grew by 27% from 1,589 in FY24 to 2,024 in FY25. During the year, employees underwent various training and development programs to support their learning. These programs are designed to meet the specific learning needs of employees and include induction training, refresher training, and promotional training.

New initiatives

#### 1. Recertified as Great places to work

Sindhuja was again certified as Great places to work for building a High-Trust, High-Performance Culture. This recognition reflects our ongoing commitment to creating a positive, inclusive, and engaging workplace for all our employees.

#### 2. Introduced new benefits for employees

In line with our ongoing commitment to employee well-being and engagement, the company introduced several new benefits in the past year aimed at supporting key life moments and personal development. These new benefits reflect our dedication to building a supportive, inclusive, and rewarding workplace.

# Events and Activities



# RISK, AUDIT, AND GRIEVANCE

The company recognizes effective risk management is fundamental to sustaining business growth while protecting stakeholder interests. Our comprehensive risk management framework is designed to identify, assess, mitigate and monitor risks across all aspects of our operations, ensuring organizational resilience in a dynamic financial landscape.

## Governance and Oversight

The company operates under a streamlined risk governance framework comprising the Management Level Risk Committee (MLRC) and the dedicated Risk Function. The MLRC, consisting of senior leadership, provides strategic oversight by reviewing risk exposures, approving mitigation strategies, and ensuring alignment with business objectives. The Risk Function executes risk management activities, including framework implementation, risk assessments, monitoring, and reporting. This structure ensures clear accountability, effective risk oversight, and seamless integration of risk management across operations while maintaining prompt response capabilities.

## Risk Management Framework

Our risk management approach covers all critical risk categories:



### CREDIT RISK MANAGEMENT:

The company maintains rigorous underwriting standards and continuous portfolio monitoring. Our state-wise and district-wise exposure analysis enables targeted risk mitigation. Regular assessment of portfolio quality and collection efficiency helps maintain healthy asset quality.



### OPERATIONAL RISK MANAGEMENT:

The company have implemented robust internal controls, business continuity plans and fraud prevention mechanisms. Process standardization across branches ensures consistent risk mitigation.



### LIQUIDITY RISK MANAGEMENT:

The treasury operations maintain optimal liquidity buffers through careful cash flow forecasting and contingency funding arrangements.



### COMPLIANCE RISK MANAGEMENT:

A dedicated compliance team tracks regulatory changes and implements necessary process adjustments.



### STRATEGIC RISK MANAGEMENT:

The company conduct's regular market analysis & scenario planning to anticipate macroeconomic shifts.

## Internal Capital Adequacy Assessment Process (ICAAP) and Stress Testing :

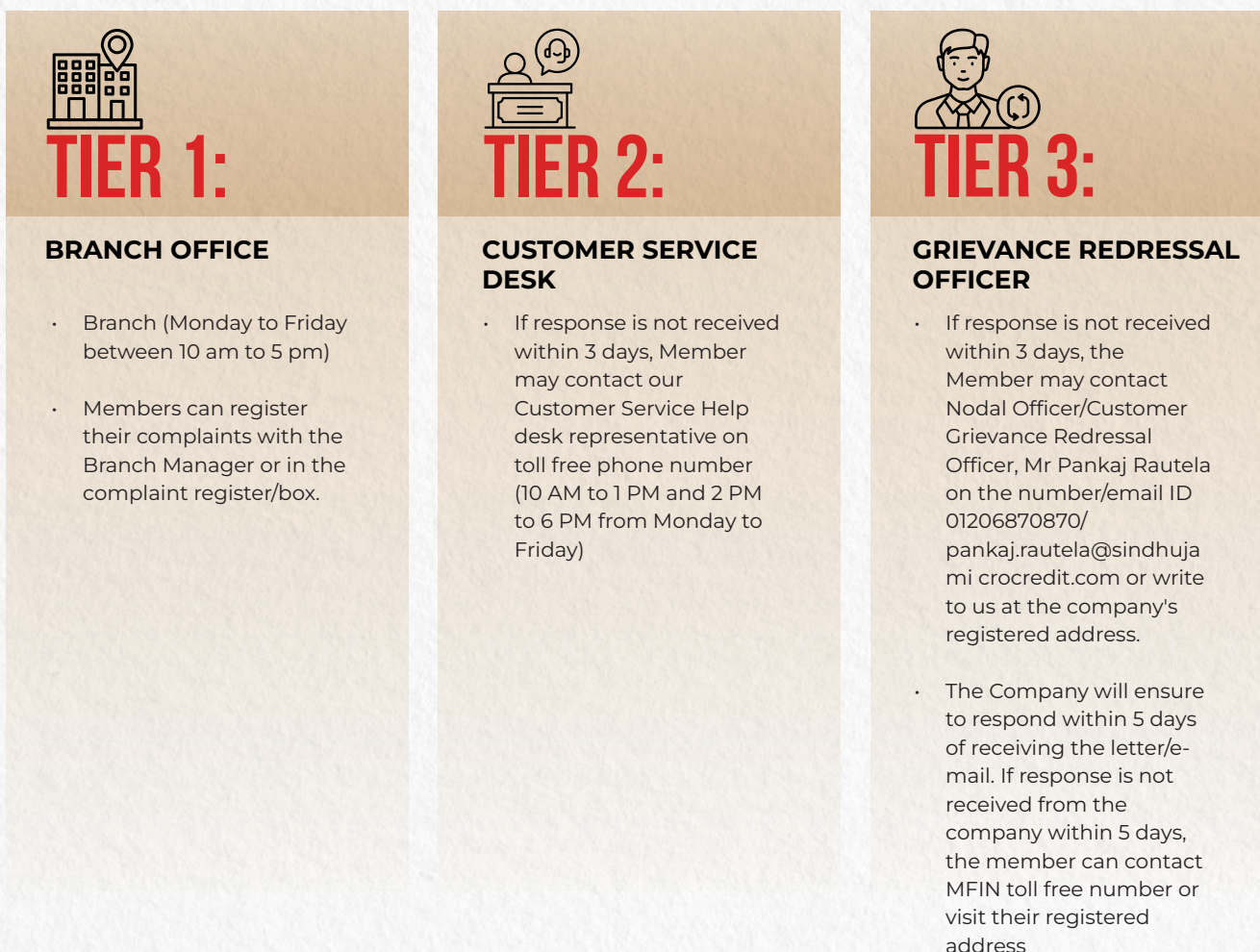
As part of our comprehensive risk management framework, the company have established a robust Internal Capital Adequacy Assessment Process (ICAAP) that forms the cornerstone of our capital planning and risk mitigation strategy. The ICAAP framework follows a structured approach to identify, measure, and monitor all material risks, while ensuring adequate capital is maintained to support our business objectives and withstand potential shocks. During the year, conducted rigorous stress testing exercises covering multiple risk scenarios, including severe macroeconomic downturns, significant portfolio deterioration, liquidity crises, and operational risk events. The results demonstrated that our capital buffers remain resilient, with our Capital to Risk-Weighted Assets Ratio (CRAR) consistently maintained above both regulatory requirements and our internal thresholds under all stress scenarios. These exercises have provided valuable insights for strategic decision-making and have further strengthened our ability to anticipate and respond to adverse market conditions. The findings are reviewed by the Board Risk Management Committee and incorporated into our capital planning and business strategy.

## Internal Audit

The Company's Internal Audit function provides independent assurance to the Board of Directors on an ongoing basis on the quality and effectiveness of its internal controls, risk management, governance systems and processes. Internal audit department is integral to organization to maintain the operational efficiency and financial reliability, and to safeguard assets. Proficiency of auditors is very important for the department to have proper execution of audit at branches. The Company follows a risk-based rating model for audit of the branches which is conducted through a tested and comprehensive in-house audit framework/tool. This tool adheres to RBI guidelines, SRO directives and other regulatory necessities. Every branch is audited at least once within a quarter. Field auditors capture observations against all the parameters and scoring of audit report is done at the central level. Audit reports and their key summary points are presented to the Audit Committee every quarter. In FY25, a total of 686 comprehensive audits were conducted to cover 223 eligible branches as per audit mandate. As of 31st March 2025, Sindhuja's internal audit team comprised of 22 skilled field auditors and 1 audit support staff, across the operational geography.

## Grievance Redressal

Sindhuja has a dedicated grievance function where customers can reach out in case of any query, complaint, or service requests. A three-tier grievance mechanism as illustrated below is in place to ensure maximum accessibility to all customers.



The team ensures that each case is investigated thoroughly, and a resolution is provided to the customers at the earliest. In FY24-25, a total of 2039 complaints, 8615 queries and 164 service requests were addressed by the team. 28 complaints were pending resolution as on 31st March 2025. Of these 28 complaints, all complaints were resolved as on date.

## SOCIAL PERFORMANCE MANAGEMENT AND CORPORATE SOCIAL RESPONSIBILITY

As an organisation working towards financial inclusion of the under-banked, clients' social outcomes are at the core of its organisational mission. The company strongly believes that Social performance Management (SPM) is about balancing financial performance with social and environmental performance. This means being sustainable as an organisation while meeting the goals set for itself towards its clients, employees, communities, and all other stakeholders.

### Social Goals & SDG Alignment



- Improve financial inclusion of women and other historically marginalized communities
- Lend responsibly ensuring fairness, transparency, and efficiency
- Ensure client protection and fair practices at all levels of operations
- Strive to be a responsible employer and ensure employee well-being

### SPM Metrics

The ESG team continuously tracks and monitors various key metrics in line with the internally defined goals as well as external reporting requirements. The SPM and CSR committee reviews these KPIs on a bi-annual basis. The company also reports to various external stakeholders on a periodic basis through appropriate channels.

As the company's social focus is on ensuring true financial inclusion of the underbanked, a majority of its customer base comprises of historically and conventionally marginalised segments of society. The Company's geographical presence is also predominantly in regions with the poorest HDI (Human Development Index) scores. It also has a sizeable presence in the aspirational districts as defined by the Niti Ayog.

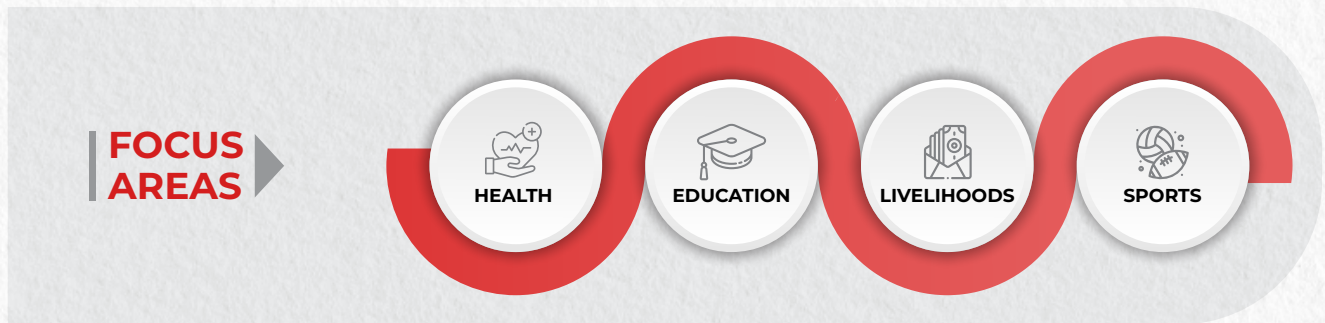
### ESG Policy Framework

The company ensures strict adherence to policies and proactively develops policies that are in line with industry best practices. Some of them are as per below:

ESG POLICY	ESMS FRAMEWORK	FAIR PRACTICE CODE	WHISTLEBLOWER POLICY
POSH POLICY	EQUAL OPPORTUNITY POLICY	KYC, AML, & CFT (KNOW YOUR CUSTOMER, ANTI-MONEY LAUNDERING & COUNTERING FINANCING OF TERRORISM)	
DATA PROTECTION POLICY			

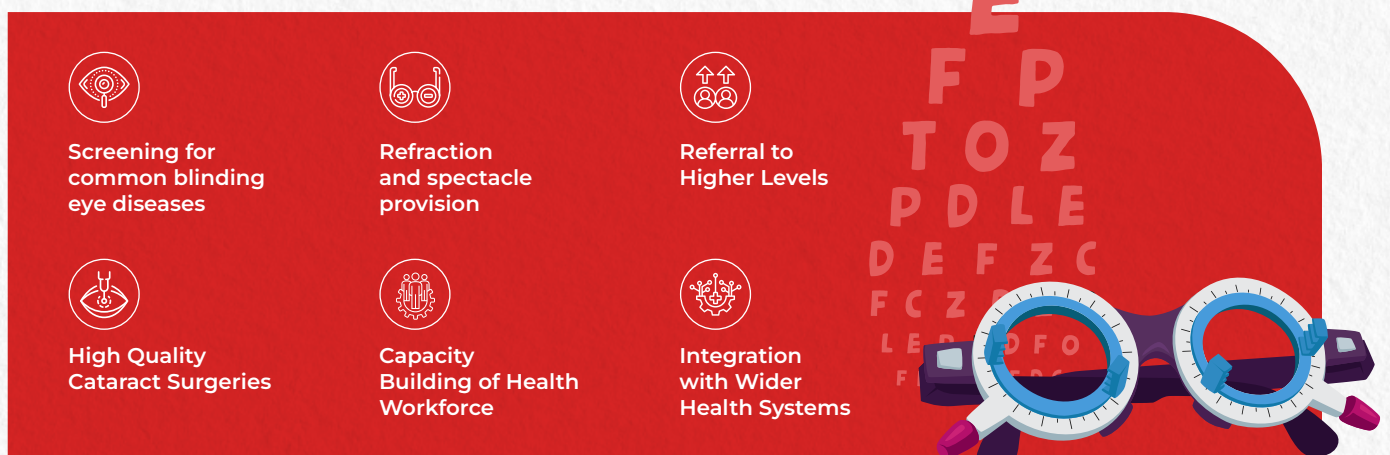
## Corporate Social Responsibility

Sindhuja engages directly with rural communities through its CSR initiatives for creating impact across multiple socio-economic dimensions. The Company works with its implementation partners to reach people in some of the most backward states and districts in terms of Human Development Index and other social development indicators.



In FY 2024-2025, Sindhuja's CSR efforts were exclusively focused on Health, education, sports and also on well-being. The Company implemented multiple projects across different geographies.

## SIGHTSAVERS: NETRA VASANT - RURAL EYE HEALTH PROGRAMME



The organization is a significant initiative aimed at strengthening primary eye care services in rural and backward districts of India. The programme carefully selects districts based on a predefined set of indicators, including demographic profile, eye health status and demand, cataract surgical coverage, availability of eye health partners, and availability of eye care at primary and secondary levels. The programme is implemented in collaboration with clinical partners in potential locations to improve the uptake of eye health services among the community.

Sightsavers India employs various approaches, including setting up vision centres, conducting outreach camps, and door-to-door screenings of individuals. Currently, the programme operates in 10 states. As of today, Sightsavers India in collaboration with the Govt. and partners has more than 150 vision centres, most of them are functional in a privately owned place and small numbers are integrated into Govt. health facilities such as PHC, CHC or District Hospital.

Sindhuja has carried out the above program as per the below details:

1. Project Locations - Identified villages of Bihar – Sitamarhi, Nawada and Nalanda
2. Project Outcomes -
  - Strengthened eye health systems deliver quality eye health services to rural communities in the intervention district and improve their Vision Related - Quality of Life (VR-QoL).
  - Increased demand generation and uptake of eye health services in the intervention district of India.



# THE ROTARY CLUB OF BOMBAY (PAEDIATRIC HEART SURGERIES)

The Rotary Club of Bombay, established in 1929, is one of the oldest and largest service organizations in India. Today the Rotary Club of Bombay has diversified its activities through the work of over fifty committees constituted to look after the various avenues of service. Of these, over 20 contribute to community service. Active in the areas of medical care, literacy, childcare, environment, rural development amongst others, the 350+ members of the Club provide outreach to the needy in and around Mumbai. The Club along with partner hospitals, provide these children with life-saving treatment and surgical interventions at low or no cost. The Club has so far saved the lives of more than 900 children over the last 5 years and intends to ensure a minimum of 250 pediatric heart surgeries this year. The Club had approached the Company for its ongoing and upcoming activities.

## I Can Hear Foundation

The “I Can Hear Foundation” is a Non Profit Organization, in collaboration with Adventis ENT Clinics & SpHear Speech & Hearing Clinics, with the objective to improve the hearing health of the community. It has been set up by clinical professionals experienced in the treatment of hearing loss and ear disease along with parents of children using cochlear implants successfully.

The mission of I Can Hear Foundation is to increase awareness on childhood hearing loss, provide early diagnostic support to adults and children with deafness, initiate early intervention programmes, provide access to hearing technology (hearing aids and cochlear implants) to children and adults, enable hearing and speech therapy, perform ear and hearing surgery at subsidised costs.

The organization had launched project GHANTI - a collaborative effort of ICHF, SpHear Speech & Hearing Clinic, The Hans Foundation (THF) to help get free/subsidised devices used for treatment of deafness eg: hearing aids, cochlear implants.

The ICHF donated Hearing Aid's to deserving candidates amongst the support staff of Sunbreeze Apartments, Vaishali, Ghaziabad – in the first of its series of hearing aid donation drives.

An ENT and Hearing camp was conducted on 30th April 2025 where around 50 support staff were screened for Ear and Hearing issues. Many received medications free of cost and a number of patients were short listed for Hearing Aids.

8 pairs of high-quality Digital Hearing Aids were fitted to guards, electricians and maids. They were also counselled on the care and maintenance of hearing aids along with a demonstration on the use and troubleshooting of the devices. They were also counselled on the care and maintenance of hearing aids along with a demonstration on the use and troubleshooting of the devices. All 8 recipients were extremely happy with their improved hearing!



## BALAK VRINDA EDUCATION SOCIETY

Balak Vrinda Education Society (commonly known as Sundatta High school in the vicinity), started on the 17th of September 1938. It started as a school for the under-privileged children who didn't have any opportunities for quality education but yearned for it. As of today, there are approximately 800 children in the school.

Due to the various new facilities, infrastructure and curriculums available in other schools, the school faces a constant threat of loss of students and teachers, and therefore a strong need for upgrading on various fronts and especially on the infrastructure and technological front is felt.

The school has a total of around 800 students out of which half of them are girls, and the school has only 1 toilet block (with 3 cabins in it), for all the girls of primary and secondary put together and 1 toilet block for the boys which is also in a very bad state. Therefore, the School had sought help for upgrading the toilet blocks.

### Anup Sridhar Badminton Academy

Anup Sridhar has been a former International and National Badminton Player, having represented the Country for over 10 years. Anup has trained under Prakash Padukone and Vimal Kumar at the Prakash Padukone Badminton Academy in Bangalore and also trained at the Gopichand Academy in Hyderabad. Prior to this Anup had spent several years training in Denmark, France, Indonesia, Malaysia, etc., under reputed international coaches which has provided him phenomenal exposure to international standards and methodologies of coaching and training.

Mr. Anup Sridhar and his team of prolific coaches have put on a Curriculum-Based Coaching Module in place to impart a "Round The Year" Coaching Program for Intermediate, Advanced, & Beginner Level players.

The academy has sought support for High Potential Girl players Ms Prerana Shet, Ms Gloria V Athavale and Ananya Pravin who are from Rural parts of Karnataka. The academy is training them absolutely free of cost but need funds to take them to higher levels. The regular annual expenses for a High Potential Player.



## RATINGS & GRADINGS

Category	Rating Agency	Rating/Grading
Bank Loans	CRISIL	BBB / Stable
NCDs & Bank Loans	India Ratings	BBB / Positive
MFI Grading	CareEdge	MFI 1
Code of Conduct Assessment (CoCA)	CareEdge	C1

During the year, CRISIL reaffirmed the credit ratings for Sindhuja to BBB /Stable and India Ratings affirmed their BBB / Positive rating. The rationale was attributed to maintenance of adequate capital position, healthier-than-peers' asset quality, adequate liquidity, improved and diversified funding sources, and adequate profitability for current scale of operations.

MFI Grading evaluates the operational and financial capability of an MFI to operate at its targeted scale in a sustainable manner. CareEdge assigned Sindhuja's grading to MFI 1 owing to good governance and transparency, strong operational setup, adequate scale of operations, and good indicators of long-term sustainability.

Code of Conduct Assessment (CoCA) is an assessment of a microfinance on various ethical and fair microfinance practices. The dimensions of evaluation include the likes of Transparency, Client Protection, Governance, Recruitment, Client Education, Feedback & Grievance Redressal and Data Sharing. Sindhuja's CoCA rating was upgraded to highest grade of C1 by CareEdge.

### Bronze Standard from MFR for Client Protection Principles

Sindhuja received the 'Bronze' level debutant certification in Client Protection Principles from MFR. The certification demonstrates a strong commitment to maintaining high standards of ethical conduct, transparency, and fairness in all customer interactions.

Receiving the certification means that the institution has demonstrated good performance in all areas of client protection, including preventing over-indebtedness, transparent pricing, responsible pricing, appropriate collections practices, ethical staff behaviour, and privacy of client data. It is a testament to the institution's commitment to putting its clients first and ensuring that they receive fair and responsible financial services. It also signifies that the institution has established a culture of continuous improvement. The certification process involves a rigorous evaluation of the institution's policies, procedures, and practices related to client protection.

### Social & Environmental Rating

The company's social & environment ratings was upgraded in the year from BB to BB+ by MFR Ratings. It demonstrates the implementation of universal standards of Social and Environmental Performance management. The company was assessed on the basis of social and environmental performance management systems, social and environmental responsibility, outreach and quality of the services and was found to be adequate.

# RECTO PORT

## | DIRECTOR'S REPORT

# Dear Shareholders,

Your Directors take immense pleasure in presenting the Eighth Annual Report on the business & operations of your Company together with the Audited Financial Statement and Auditors Report thereon for the Period ended 31st March, 2025.

## 1 - PRESENTATION OF FINANCIAL STATEMENTS

The highlights of the Financial Statements of the Company for the current financial year (2024-2025) as compared to the previous financial years (2023-2024) and (2022-2023) are as under:

Amounts in Lakhs			
Profit and Loss Statement (INR)	For the Financial year ended 31 March, 2025	For the Financial year ended 31 March, 2024	For the Financial year ended 31 March, 2023
Total Revenue from Operations	25,464.18	21,606.40	12,944.14
Other Income	226.67	4.14	41.74
Total Income	25,690.85	21,610.54	12,985.88
Total Expenses	30,675.46	17,571.93	10,506.91
Profit before Tax	-4,984.61	4,038.61	2,478.97
Tax Expenses	-1,440.98	975.55	566.84
Profit for the period	-3,543.63	3,063.06	1,912.13
Other comprehensive Income / (Loss)	-51.63	35.49	0
Total Comprehensive Income for the Period	(3,492.00)	3,027.57	1,912.13
<b>Earnings per Share (in Rs)</b>			
Basic	-7.55	8.40	12.00
Diluted	-7.55	8.37	5.89

*\*As per IND AS*

Amounts in Lakhs		
Particulars	For the Financial year ended 31 March, 2025	For the Financial year ended 31 March, 2024
Revenue from Operation	25,464.18	21,606.40
Other Income	226.67	4.14
Total Income	25,690.85	21,610.54
Employees benefits expense	7,333.28	5,645.61
Finance Cost	9,754.98	9,260.38
Depreciation & amortization expenses	224.03	192.90
Impairment of financial instruments	11,285.39	1,182.36
Other Expenses	2,077.78	1,290.68
Profit before tax	(4,984.61)	4,038.61
Total Tax expenses	(1,440.98)	975.55
Profit after Tax	(3,543.63)	3,063.06

## 2 - OPERATIONAL PERFORMANCE

The operational snapshot is provided in the table below:

Sr. No.	Particulars	31 March, 2025
1	States	12
2	Districts	169
3	Branches	368
4	Centre	50,705
5	Active clients	3,48,803

Sr. No.	Particulars	31 March, 2025
6	Assets Under Management (AUM) (in lakhs)	95,256
7	Own Portfolio (in lakhs)	70,846.9
8	Managed Portfolio (in lakhs)	24,409.2

### 3 - DIVIDEND

Your Board of Directors of the Company clarifies that the Company has incurred losses, hence, do not recommend any dividend for the financial year ended March 31, 2025.

### 4 - MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report.

### 5 - DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN THE FUTURE

No significant material order has been passed by the Regulators/Courts/Tribunals impacting the going concern status & Company's operations in future in respect to the Company during the financial year.

### 6 - CHANGE IN THE NATURE OF BUSINESS, IF ANY

The Company is engaged in the business of Micro Finance Business (NBFC-MFI). There are no changes in the nature of business of the Company during the financial year ended 31st March 2025. The Company is also in the business of providing MSME Loan for working capital requirements of the existing business, undertake repairs, renovation or extension of the existing business unit, purchase of machinery or equipment, general credit needs of the existing business.

### 7 - DETAILS OF SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have a subsidiary, associate company or any joint venture.

### 8 - AMOUNT CARRIED TO ANY RESERVE (IF ANY)

In terms of Section 45-IC of the RBI Act, 1934, the Company is required to transfer at least 20% of its net profits to a reserve before any dividend is declared. The Company has incurred losses for the financial year ended March 31, 2025; hence no amount was transferred to the Reserve Fund. However, at the year-end i.e. March 31, 2025 the Reserve Fund had an amount of Rs. 1,146.79 lakhs, which was transferred by the Company in the previous years.

### 9 - CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE

The CSR obligation of the Company for FY 2024-2025 was Rs. 51,44,414/- (Rupees Fifty-One Lakh Forty-Four Thousand Four Hundred Fourteen only). The Company had spent Rs. 51,49,740/- (Rupees Fifty-One Lakh Forty-Nine Thousand Seven Hundred Forty only) during the financial year 2024-2025.

The CSR policy has been hosted on the website of the Company and can be accessed at [www.sindhujamicrocredit.com](http://www.sindhujamicrocredit.com).

### 10 - CODE OF CONDUCT

The Company has adopted a code of conduct for all employees. Areas covered by the code are Fairness of employment practices, protection of intellectual property, integrity, customer confidentiality, conflict of interest.

The Company has in place a Fair Practices Code ("FPC") approved by the Board, in compliance with the guidelines issued by RBI, to ensure better service and provide necessary information to customers enabling them to take informed decisions. The FPC is available on the website of the Company at [www.sindhujamicrocredit.com](http://www.sindhujamicrocredit.com). The Company's Compliance team periodically provides feedback to the Board on adherence to FPC and functioning of grievance redressal mechanism. Further, the Board also reviews the implementation and efficacy of FPC on an annual basis.

## 11 - RBI GUIDELINES

Reserve Bank of India issued a circular on "Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs" on 22 October 2021 ('SBR Framework'). As per the framework, based on size, activity, and risk perceived, NBFCs are categorized into four layers, NBFC - Base Layer (NBFC-BL), NBFC - Middle Layer (NBFC-ML), NBFC - Upper Layer (NBFC-UL) and NBFC - Top Layer (NBFC-TL). As per the said Directions, non-deposit taking NBFCs with asset size of Rs. 1,000 crores and above shall fall into the middle layer and consequently, regulations as applicable to the Middle Layer shall be applicable to them. RBI also clarified that once an NBFC reaches an asset size of Rs. 1,000 crores or above, it shall be subject to the regulatory requirements as per Section III of these Directions despite not having such assets as on the date of last balance sheet and shall comply with the regulations/directions issued to NBFCs-ML from time to time, as and when they attain an asset size of Rs. 1,000 crores, irrespective of the date on which such size is attained.

The Company had attained the status of the Middle Layer since the asset size of the Company on March 31, 2024 had exceeded Rs. 1,000 crores.

- Pursuant to the above Directions, NBFCs were required to make a thorough internal assessment of the need for capital, commensurate with the risks in their business. The Company implemented Internal Capital Adequacy Assessment Process (ICAAP).
- In compliance with the requirement of Scale Based Regulatory Framework read with Notification dated April 11, 2022 "Compliance Function and Role of Chief Compliance Officer (CCO) - NBFCs," the Company has appointed Mr. Pankaj Kumar Sinha, Company Secretary of the Company as Chief Compliance Officer of the Company with effect from June 11, 2024.
- The Company had also adopted the Nomination, Remuneration and Compensation Policy which includes provisions pertaining to the constitution of a Remuneration Committee, principles for fixed/ variable pay structures, and malus/ claw back provisions.

The Company endeavors to ensure compliance with these evolving regulatory changes and has initiated appropriate steps to comply with these regulations.

## 12 - OTHER STATUTORY COMPLIANCE

The Company has complied with all the mandatory regulatory compliance as required under the Companies Act, various tax statutes and other regulatory bodies.

## 13 - CORPORATE GOVERNANCE

Corporate Governance is the commitment of an organization to follow ethics, fair practices and transparency in all its dealings with its various stakeholders such as Clients, Employees, Lenders, Investors, Government and the Community at large.

Your Company is committed to good corporate governance by ensuring that quality management personnel are inducted so that the highest level of accountability, transparency and fairness be maintained to conduct its business operations efficiently in all areas of operations and in all its interactions with stakeholders.

## 14 - DIRECTORS

As on the date of this report, the Board of Directors comprises 9 (nine) Directors, out of which two are independent directors and five nominee Directors. Out of the five nominee Directors, two are women directors. The composition of the Board is in line with the requirements of the Act, and the applicable RBI Regulations. The Directors possess vast knowledge, necessary experience, skills and ability in various functional areas relevant to the Company's business, which has aided / continues to aid in strengthening the policy decisions of the Company.

## Composition of the Board as on 31st March 2025

Sr. No.	Name of the Director	Director since	Capacity (i.e. Executive/ Non- Executive/ Chairman/ Promoter/ Nominee/ Independent)	DIN	Number of Board Meetings		No. of other Director ships	Remuneration			No. of shares held in and convertible instruments held in the Company
					Held	Attended		Salary and other compensation	Sitting Fee	Commission	
1	Mr. Abhisheka Kumar	Dec 01, 2017	Managing Director	02972579	7	7	0	1,21,89,996	NA	NA	37, 20,462
2	Mr. Abhishek Sharman	Sept 05, 2019	Nominee Director	01329800	7	3	7	NA	NA	NA	0
3	Mr. Ameet Goyall	March 27, 2024	Nominee Director	02557166	7	6	0	NA	NA	NA	0
4	Mr. Diwakar Pundir	June 09, 2022	Independent Director	08450769	7	6	1	NA	5,00,000	NA	5,00,000
5	Mr. Malkit Singh Didyala	Dec 01, 2017	Whole Time Director, CEO & CIO	07957488	7	7	0	1,21,89,996	NA	NA	30, 67, 862
6	Mr. Sandeep Phanasgaonkar	March 25, 2021	Independent Director	00397467	7	6	0	NA	5,50,000	NA	0
7	Ms. Jagriti Bhandari	Dec 16, 2022	Nominee Director	09802981	7	6	1	NA	NA	NA	0
8	Mr. Agustin Vitorica*	Sept 05, 2024	Nominee Director	07928115	7	1	1	NA	NA	NA	0
9	Ms. Laetitia Counye*	Sept 05, 2024	Nominee Director	06990144	7	2	0	NA	NA	NA	0

\*Mr. Agustin Vitorica and Ms. Laetitia Counye were appointed in the Board meeting held on September 05, 2024 and were eligible to attend only 2 Board meetings.

## Details of change in composition of the Board during the current financial year.

Sr. No.	Name	DIN	Designation	Date of Appointment/ Cessation	Reason for Change
1	AGUSTIN VITORICA	07928115	Nominee Director	September 05, 2024	HURUMA FUND S.C.A., SICAR-EUSEF (Investor) has nominated Mr. Agustin Vitorica as Nominee Director on the Board of the Company
2	LAETITIA COUNYE	06990144	Nominee Director	September 05, 2024	OIKOCREDIT ECUMENICAL DEVELOPMENT COOPERATIVE SOCIETY U.A. (Investor) has nominated Ms. Laetitia Counye as Nominee Director on the Board of the Company.
3	YASHVANT MALHOTRA	01794814	Independent Director	September 04, 2024	Mr. Yashvant Malhotra's tenure expired on September 04, 2024 and he has expressed his inability to continue as an Independent Director on the Board of Directors of the Company due to his pre-occupations.
4	SANDEEP SHASHIDHAR PHANASGAONKAR	00397467	Independent Director	March 25, 2024	Mr. Sandeep Shashidhar Phanasgaonkar (DIN: 00397467) was re-appointed as an Independent Director for the 2nd term (in the capacity of Additional Director) w.e.f. 25th day of March, 2024 in accordance with the provisions of Section 161 of the Companies Act, 2013. He had been regularized in the Annual General Meeting convened on September 30, 2024.

## General Body Meetings

Sr. No.	Type of Meetings (Annual/ Extra-Ordinary)	Date and Place	Special Resolutions Passed	Place of Meeting
1	Annual General Meetings	September 30, 2024, NOIDA	5	At the Registered Office
2	Extra Ordinary General Meetings	April 23, 2024, NOIDA	2	At the Registered Office
3	Extra Ordinary General Meetings	July 06, 2024, NOIDA	0	At the Registered Office
4	Extra Ordinary General Meetings	July 16, 2024, NOIDA	1	At the Registered Office
5	Extra Ordinary General Meetings	March 31, 2025, NOIDA	1	At the Registered Office

## 15 - COMMITTEES OF THE BOARD AND THEIR COMPOSITION AS ON MARCH 31, 2025

### BOARD COMMITTEE

#### i. AUDIT COMMITTEE

The scope of the Committee is as follows:

- i. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. Examination of the financial statement and the auditors' report thereon;
- iv. Approval or any subsequent modification of transactions of the company with related parties;
- v. Scrutiny of inter-corporate loans and investments;
- vi. Valuation of undertakings or assets of the company, wherever it is necessary;
- vii. Evaluation of internal financial controls and risk management systems;
- viii. Monitoring the end use of funds raised through public offers and related matters.
- ix. Any other responsibility as may be assigned by the board from time to time.

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairperson/ Promoter/ Nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Abhisheka Kumar	June 22, 2021	Managing Director	4	4	37,20,462
2	Mr. Abhishek Sharman	June 22, 2021	Nominee Director	4	2	0
3	Mr. Diwakar Pundir	March 16, 2023	Independent Director	4	4	5,00,000
4	Mr. Sandeep Phanasgaonkar	June 22, 2021	Independent Director	4	4	0
5	Mr. Ameet Goyall	Sept 05, 2024	Nominee Director	4	2	0
6	Ms. Jagriti Bhandari	Sept 05, 2024	Nominee Director	4	1	0

*Committees were reconstituted by the Board of Directors in their meeting held on September 05, 2024*

## ii. CREDIT & RISK MANAGEMENT COMMITTEE

The scope of the Committee is as follows:

- i. Approve and periodically review the risk management policies of the Company's operations;
- ii. Review significant reports from regulatory agencies relating to risk management and compliance issues, and management's responses.
- iii. Policies and procedures establishing risk management governance, risk management procedures, and risk control infrastructure for operations;
- iv. Review and approve the Company's risk appetite statement on an annual basis; approve any material amendment to the risk appetite statement;
- v. Review and approve the Contingency Funding Plan contained in the Company's Liquidity Policy at least annually, and approve any material revisions to this plan prior to implementation;
- vi. Review significant risk exposures and the steps, including policies and procedures, that management has taken to identify, measure, monitor, control, limit and report such exposures, including, without limitation, credit, market, fiduciary, liquidity, reputational, operational, fraud, strategic, technology (data-security, information, business-continuity risk, etc.), and risks associated with incentive compensation plans;
- vii. Evaluate risk exposure and tolerance;
- viii. Review and evaluate the Company's practices with respect to risk assessment and risk management;
- ix. Review reports and significant findings of Risk and Compliance and the Internal Audit Department with respect to the risk management and compliance activities of the Company, together with management's responses and follow-up to these reports;
- x. To evaluate various risks of the business and to draw out a risk management plan for the Company;
- xi. To take steps to identify and mitigate Information Technology and Cyber Security Risks that the Company is or may be exposed to, on a regular basis.
- xii. To monitor and review risk management and mitigation plan of the Company;
- xiii. To inform the Board on the effectiveness of the risk management framework and process of risk management;

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairperson/ Promoter/ Nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Abhisheka Kumar	Sept 05, 2024	Managing Director	3	1	37,20,462
2	Mr. Diwakar Pundir	March 16, 2023	Independent Director	3	3	5,00,000
3	Ms. Jagriti Bhandari	March 16, 2023	Nominee Director	3	2	0
4	Mr. Malkit Singh Didyala	June 22, 2021	Whole Time Director, CEO & CIO	3	2	30,67,862
5	Mr. Sandeep Phanasgaonkar	June 22, 2021	Independent Director	3	2	0
6	Mr. Agustin Vitorica	Sept 05, 2024	Nominee Director	3	1	0
7	Ms. Laetitia Counye	Sept 05, 2024	Nominee Director	3	1	0

**iii. NOMINATION AND REMUNERATION COMMITTEE** - The scope of the Committee is as follows:

- i. Elements of the remuneration package i.e. salary, perquisites, retirement benefits, pension, separation compensation, and the structure of the remuneration package viz., the proportion of fixed and variable component, annual / mid-term increments, merit rewards, special payments, etc., of the Managing /Executive Director and that of the Key Managerial Personnel.
- ii. Elements of increments, annual bonus and ESOP to employees
- iii. Changes to remuneration package, terms of appointment, notice period, severance fees, recruitment, retention and termination policies and procedures.
- iv. To recommend the shortlisted candidates who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and /or removal.
- v. The Committee shall review the succession plans, if any, for both executive and non-executive Directors

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairperson/ Promoter/ Nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Diwakar Pundir	March 16, 2023	Independent Director	1	1	5,00,000
2	Ms. Jagriti Bhandari	March 16, 2023	Nominee Director	1	1	0
3	Mr. Malkit Singh Didyala	June 22, 2021	Whole Time Director, CEO & CIO	1	1	30,67,862
4	Mr. Abhishek Sharman	Sept 05, 2024	Nominee Director	1	0	0
5	Mr. Sandeep Phanasgaonkar	Sept 05, 2024	Independent Director	1	0	0

#### iv. RESOURCING COMMITTEE

The scope of the Committee is as follows:

- i. Approval of various Credit facilities namely, Term Loans/Cash credit, Overdraft, ICD or any other form from Banks, Financial Institutions and Corporates.
- ii. Approval of Off-Balance Sheet Transactions including securitization, bilateral/multilateral assignment, partnership with Banks/ any other authorized entity, Business Correspondent.
- iii. Approval for NCD and ECB transactions.

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairperson/ Promoter/ Nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Abhishek Sharman	Sept 11, 2019	Nominee Director	14	0	0
2	Mr. Abhisheka Kumar	Sept 11, 2019	Managing Director	14	14	37,20,462
3	Mr. Malkit Singh Didyala	Sept 11, 2019	Whole Time Director, CEO & CIO	14	14	30,67,862
4	Ms. Jagriti Bhandari	Sept 05, 2024	Nominee Director	14	5	0

#### v. CORPORATE SOCIAL RESPONSIBILITY AND SOCIAL PERFORMANCE MANAGEMENT COMMITTEE

Social Performance Management Committee aims for formalizing the supervision of the achievement of Sindhuja's social mission into governance.

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairperson/ Promoter/ Nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Abhisheka Kumar	June 22, 2021	Managing Director	2	2	37,20,462
2	Ms. Jagriti Bhandari	March 16, 2023	Nominee Director	2	1	0
3	Mr. Yashvant Malhotra	June 22, 2021	Independent Director	2	1	0
4	Mr. Agustin Vitorica	Sept 05, 2024	Nominee Director	2	1	0

vi. IT STRATEGY COMMITTEE - The scope of the Committee is as follows:

- i. Approving IT Strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- ii. Ascertaining that management has implemented processes and practices that ensure that IT delivers value to the business;
- iii. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- iv. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high level direction for sourcing and use of IT resources;
- v. Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.

Sr. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairperson/ Promoter/ Nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the Company
				Held	Attended	
1	Mr. Sandeep Phanasgaonkar	July 17, 2023	Independent Director	4	4	0
2	Mr. Abhisheka Kumar	July 17, 2023	Managing Director	4	2	37,20,462
3	Mr. Malkit Singh Didyala	July 17, 2023	Whole Time Director, CEO & CIO	4	4	30,67,862
4	Mr. Ameet Goyall	Sept 05, 2024	Nominee Director	4	2	0

## 16. SECRETARIAL STANDARDS OF ICSI

The Company has complied with the requirements prescribed under the Secretarial Standards on meetings of the Board of Directors (SS-1) and General Meetings (SS-2) read with the MCA circulars and any amendments issued from time to time.

## 17. DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER -SE

No relationship exists between Directors of the Company except being Promoter / Director.

## 18. PUBLIC DEPOSITS

The Company continues to be categorized and operates as a non-deposit taking Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI) and has not accepted any deposits as defined by the Act. Accordingly, disclosure under Section 35(1) of the RBI Master Direction – Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 does not apply.

## 19. DIRECTORS' RESPONSIBILITY STATEMENT

Your Company's Directors make the following statement in terms of sub-section (5) of Section 134 of the Companies Act, 2013, which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

- The financial statements of the Company as at and for the year ended March 31, 2025, have been prepared in accordance with requirements of Indian Accounting Standards ("Ind AS") notified by under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) as prescribed under Section 133 of the Companies Act, 2013 ('Act'), guideline issued by RBI, other accounting principles generally accepted in India and presentation requirements of Division III of Schedule III of the Act (Ind AS compliant Schedule III) as applicable to the Company.
- The financial statements have been prepared using the material accounting policies. The accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS. These financial statements have been prepared on a going concern basis.
- For all periods up to and including the year ended 1st April 2023, the Company had prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) which is considered as "Previous GAAP".
- The Board of Directors have selected such accounting policies and applied them consistently except where a newly issued accounting standard or a guideline is initially adopted or a revision to the existing accounting standards requires a change in the accounting policy hitherto in use and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit & loss of the Company for the period ended March 31, 2025.
- The Board of Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- The Board of Directors have prepared the annual accounts on a going concern basis;
- The Board of Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- The Board of Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 20. STANDALONE ANNUAL ACCOUNTS

The financial statements of the Company as at and for the year ended March 31, 2025, have been prepared in accordance with requirements of Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) as prescribed under Section 133 of the Companies Act, 2013 ('Act'), guideline issued by RBI, other accounting principles generally accepted in India and presentation requirements of Division III of Schedule III of the Act (Ind AS compliant Schedule III) as applicable to the Company.

## 21. AUDIT REPORT AND STATUTORY AUDITOR

M/s "SS Kothari Mehta & Co. LLP", Chartered Accountants (Firm Registration No. 000756N/N500441), Statutory Auditor Report for the fiscal year 2024-2025 does not contain any qualification, reservation or adverse remark and are self-explanatory and therefore, in the opinion of the Directors, do not call for the comments.

The auditors have highlighted an emphasis of matter drawing attention to note no. 58 to the financial statements with regards to requirement to maintain minimum 75% of the company's total assets in the nature of "Microfinance loans" as define under Qualifying Assets Criteria of Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022. As on March 31, 2025, the Company's qualifying assets are 69.65 % of their total assets. Accordingly, the Company had written a letter dated April 30, 2025 to Reserve Bank of India (RBI) requesting waiver for not meeting the minimum Qualifying Assets Criteria. The Company had also apprised RBI of the circumstances under which this breach occurred and has sought time till March 31, 2026 to comply with the Qualifying Assets Criteria of Master Direction. However, requisite approval from RBI had not been received till the date of the Audit Report.

## 22. DETAIL OF FRAUD AS PER AUDITORS REPORT

The Auditors reported that according to their knowledge and according to the information and explanation provided, no major fraud was noticed or reported during the F.Y. ended 31st March, 2025. This is also being supported by the report of the auditors of the Company. There are no adverse observations/qualifications in the Statutory Auditors report.

## 23. SECRETARIAL AUDIT REPORT

Secretarial Audit Report issued by M/s Ajay Jaiswal & Co., Practicing Company Secretaries for the Financial Year 2024-2025 in the prescribed Form MR-3 is annexed to this Report as Annexure I. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditors in their Report.

## 24. RISK MANAGEMENT POLICY

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measure have also been formulated and clearly spelled out in the said policy.

## 25. CHANGES IN MEMORANDUM OF ASSOCIATION AND EQUITY ALLOTMENT

- The authorized share capital of the company was increased from Rs. 50,35,00,000/- (Rupees Fifty Crores Thirty-Five Lakhs only) divided into 1,86,00,000 (One Crore Eighty-Six Lakhs only) Equity shares of Rs. 10/- (Rupees Ten only) each and 3,17,50,000 (Three Crores Seventeen Lakhs and Fifty Thousand only) Series C Compulsorily Convertible Preference Shares of Rs.10/- (Rupees Ten only) each to Rs. 51,64,57,240 (Rupees Fifty-One Crores Sixty- Four Lakh Fifty-Seven Thousand Two Hundred Forty only) divided into 1,86,00,000 (One Crore Eighty-Six Lakhs only) Equity shares of Rs. 10/- (Rupees Ten only) each, 3,17,50,000 (Three Crores Seventeen Lakhs and Fifty Thousand only) Series C Compulsorily Convertible Preference Shares and 12,95,724 (Twelve Lakhs Ninety-Five Thousand Seven Hundred Twenty-Four only) Optionally Convertible Redeemable Preference Shares of Rs.10/- (Rupees Ten only) vide its Shareholders approval on July 06, 2024.

The Company amended Clause V of the Memorandum of Association of the Company pursuant to the increase in Authorised Share Capital on July 06, 2024.

- During the year ended 31 March 2025, Optionally Convertible Redeemable Preference Shares (“OCRPS”) of face value INR 10 each were issued on a partly paid basis at a price of INR 91.20 (including a premium of INR 81.20) per share to the promoters of the Company. During the year, the company has called Rs. 1 per OCRPS on July 25, 2024.
- During the year ended on 31 March 2025, 25,096 Employee stock option Plan (ESOP) of face value of Rs 10/- each were allotted to eligible employees at a Premium of Rs 23.83 each on November 03, 2024.

## 26. CHANGES IN THE ARTICLES OF ASSOCIATION OF THE COMPANY

In terms of the Amendment Agreement to the Shareholders Agreement dated March 26, 2025 executed by and amongst the Company, Mr. Abhisheka Kumar and Mr. Malkit Singh Didyala (as promoters of the Company), Carpediem Capital Partners Fund I, Carpediem Capital Partners Fund II, Abler Nordic Fund IV KS, Huruma Fund S.C.A., SICAR-EuSEF, Oikocredit Ecumenical Development Cooperative Society U.A., and all other existing shareholders of the Company, the Company adopted the amended and its restated articles of association by incorporating the provisions of the SHA vide its Shareholders approval on March 31, 2025.

## 27. DEBT RASING (NON-CONVERTIBLE DEBENTURE):

### SECURED

During the year, the Company raised money through debt instruments by issuing

- 1,150 rated, unlisted, senior, transferable, redeemable, non-convertible debentures denominated in Indian Rupees (“INR”) each having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) aggregating to a total value of INR 11,50,00,000/- (Rupees Eleven Crores Fifty Lakhs Only) (“Debentures”) in dematerialized form on a private placement basis to “A K SECURITIZATION & CREDIT OPPORTUNITIES FUND II”
- 4000 fully paid, guaranteed, unlisted, senior, secured, redeemable, taxable, transferable non-convertible debentures denominated in Indian Rupees (“INR”) each having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) aggregating to a total value of INR 40,00,00,000/- (Rupees Forty Crores Only) on private placement basis to “VIVRITI FIXED INCOME FUND – SERIES 3 IFSC LLP”

### UNSECURED

- 20,000 non-convertible debentures each having a face value of INR 1,000/- (Rupees One Thousand only), aggregating to INR 2,00,00,000/- (Rupees Two Crores only) to Ms. Tanu Jain.

## 28. GRANT AND ALLOTMENT OF ESOP OPTION

- Under the employee Stock Option Plan (ESOP) scheme, the total pool of options, which can be granted to eligible employees of the Company, not exceeding 5,75,082 (Five Lakh Seventy-five thousand and eighty-two) equity shares (Number of employee Stock Option Plan (ESOP) Options in aggregate). During the year ended 31 March 2025, 25,096 shares have been exercised by the eligible employees and same was allotted on November 03, 2024.
- No ESOP's were granted during the financial year 2024-25.

## 29. CREDIT RATINGS

During the year under Review India Ratings revised the Outlook of the Company from “Positive” to “Stable”. However, there is no downgrade of the credit rating of the Company. CRISIL maintained the rating as IND BBB with stable outlook.

## 30. SRO MEMBERSHIP

The Company is a member of SA-DHAN (Self Regulating Organization).

## 31. CREDIT BUREAU MEMBERSHIP

The Company is a member of all four Credit Bureau viz. CIBIL, EQUIFAX, CRIF HIGH MARK & EXPERIAN CREDIT INFORMATION COMPANY and regularly providing data to all the credit bureaus as per the extant guidelines.

## 32. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company is a Non-Banking Financial Company, classified as NBFC-MFI and the principal business of the Company is to provide loans. Hence, Section 186 will not be applicable to your company. The Company has not entered into any such transaction as prohibited under section 186(1) & 186(2) of the Companies Act, 2013.

## 33. RELATED PARTY TRANSACTIONS [RPT]

All related party transactions that were entered into during the F.Y. 2024-2025, were at arm's length basis, and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Director's, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

### 34. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Vigil Mechanism system/Whistle Blower Policy has been established with a view to provide a tool to directors and employees of the Company to report to the management genuine concerns including unethical behavior, actual or suspected fraud. The Policy provides adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism. The Company has not received any references under the said policy during the year

### 35. INFORMATION: COMPANY'S DEPOSITORY & REGISTRAR AND TRANSFER AGENT (RTA)

The Company has obtained ISIN for its Equity and Preference Shares and intimation about the same has been communicated to the shareholders with request to getting their Physical Shares Dematerialized.

Those who are interested in converting their physical shares into DEMAT may please contact their Depository Participant & the Registrar & Transfer Agent (Orbis Financial Corporation Limited) of the Company for the dematerialization of their shares:

### 36. DEMATERILISATION OF EQUITY SHARES

ISIN: INE0FWI01016

Security code: FULLY PAID-UP EQUITY SHARES

Depository: National Securities Depository Limited (NSDL)

Registrar & Transfer Agent: Orbis Financial Corporation Limited

#### Communication Address

RTA Division

Orbis Financial Corporation Limited

4A Ocus Technopolis, Sector 54 Golf Course Road,

Gurgaon -122002, Haryana

### 37. DEMATERILISATION OF COMPULSORY CONVERTIBLE PREFERENCE SHARES

#### Summary

Sr. No.	ISIN No.	ISIN Type	
1	INE0FWI03012	Preference Shares	National Securities Depository Limited (NSDL)
2	INE0FWI03020	Preference Shares	National Securities Depository Limited (NSDL)
3	INE0FWI03038	Preference Shares	National Securities Depository Limited (NSDL)
4	INE0FWI03046	Preference Shares	National Securities Depository Limited (NSDL)
5	INE0FWI03053	Preference Shares	National Securities Depository Limited (NSDL)
6	INE0FWI03061	Preference Shares	National Securities Depository Limited (NSDL)
7	INE0FWI03079	Preference Shares	National Securities Depository Limited (NSDL)

### 38. DEMATERILISATION OF SECURED DEBENTURES

Sr. No.	ISIN No.	ISIN Type	Depository	Debenture Trustee
1	INE0FWI07047	Non- Convertible Debentures	National Securities Depository Limited (NSDL)	Catalyst Trusteeship Ltd.
2	INE0FWI07054	Non- Convertible Debentures	National Securities Depository Limited (NSDL)	Catalyst Trusteeship Ltd.
3	INE0FWI07062	Non- Convertible Debentures	National Securities Depository Limited (NSDL)	Catalyst Trusteeship Ltd.
4	INE0FWI07070	Non- Convertible Debentures	National Securities Depository Limited (NSDL)	Catalyst Trusteeship Ltd.
5	INE0FWI07088	Non- Convertible Debentures	National Securities Depository Limited (NSDL)	Catalyst Trusteeship Ltd.
6	INE0FWI07096	Non- Convertible Debentures	National Securities Depository Limited (NSDL)	Catalyst Trusteeship Ltd.
7	INE0FWI08011	Non- Convertible Debentures	National Securities Depository Limited (NSDL)	-

### **39. EXTRACT OF ANNUAL RETURN**

Pursuant to sub-section (3)(a) of Section 134 and sub-section (3) of Section 92 of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return as at March 31, 2025 will be made available on the Company's website at [www.sindhujamicrocredit.com](http://www.sindhujamicrocredit.com).

### **40. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the financial year 2024-2025 there were no employees drawing remuneration in excess of the limits set out in the said rules.

### **41. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place prevention, prohibition and redressal of Sexual Harassment Policy at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder, to ensure healthy working environment without fear of prejudice, gender bias and sexual harassment.

During the financial year ended 31st March, 2025, no cases or complaint pertaining to sexual harassment was received by the Company.

The Company organized POSH training for its employees on May 20, 2024 and August 23, 2025.

### **42. INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY**

The Company has put in place effective internal financial control in compliance with the extant regulatory guidelines and compliance parameters. The Audit Committee periodically reviews to ensure that the internal financial controls of the Company are adequate and are commensurate with its size, scale and complexity of operations. The Company has put in place robust policies and procedures which, inter-alia, help in ensuring integrity in conduct of business, timely preparation of financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds & errors.

The Company has appointed an Internal Auditor to strengthen internal financial control.

### **43. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The Company has no activity relating to the Conservation of Energy and Technology Absorption, hence provisions of Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable to the Company. The Company has, however, used information technology extensively in its operations and continues to invest in energy-efficient office equipment at all office locations.

### **44. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company does not carry out any activities relating to export and import during the financial year.

### **45. DETAILS IN RESPECT OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 AND THEIR STATUS**

During the financial year 2024-2025 no application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

### **46. DETAILS IN RESPECT OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS**

These provisions do not apply, as the Company is a going concern and there is no incidence of a one-time settlement with any entity till the reporting of this report.

### **47. OTHER DISCLOSURES/CONFIRMATION:**

#### **During the year under review:**

- a. The Company has not allotted any equity shares with differential voting rights.
- b. The Company has complied with applicable Secretarial Standards for Board and General Meetings held.
- c. The Company has not revised Financial Statements as mentioned under Section 131 of the Act.

## **ACKNOWLEDGMENTS**

Your Directors takes this opportunity to express its deep and sincere gratitude for the support and co-operation from the Borrowers, Banks, Financial Institutions, Investors, and Employees of the Company, for their consistent support and encouragement to the Company. Your Directors also place on record its sincere appreciation of the commitment and hard work put in by the Management and the employees of the Company despite the Microfinance Institution (MFI) sector in general experienced significant stress during the financial year ended March 2025, characterized by deteriorating asset quality, declining loan portfolios, and reduced lending activity. Their dedication and competence have ensured that the Company continues to be a significant player in the Micro finance industry.

**On behalf of the Board of Directors  
For Sindhuja Microcredit Private Limited**

**Abhisheka Kumar**

Managing Director

DIN: 02972579

**Malkit Singh Didyala**

Whole Time Director, CEO & CIO

DIN: 07957488

Date: September 08, 2025

Place : Noida

DEPENDENT  
AUDITOR'S  
REPORT

**INDEPENDENT  
AUDITOR'S  
REPORT**

# FORM MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED **31.03.2025**

[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,  
M/s Sindhuja Microcredit Private Limited  
(CIN: U65990UP2017PTC099006)  
Office No. 601-607, 6th Floor, Tower A Noida One,  
Plot No.8, Block-B, Sector-62, Noida,  
Gautam Buddha Nagar, UP, India, 201307

We, Ajay Jaiswal & Co., Practicing Company Secretaries, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SINDHUJA MICROCREDIT PRIVATE LIMITED (CIN: U65990UP2017PTC099006) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Sindhuja Microcredit Private Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year from 01.04.2024 ended on 31.03.2025 ("Audit Period"/"period under review") 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.

We are issuing this report based on:

- i Our examination/verification of the books, papers, minutes book and other records maintained by the company and furnished to us, forms and returns filed and compliance related action taken by the company during the audit period;
- ii Certificates confirming compliances with the laws applicable to the company, given by the directors and noted by the board;
- iii Report regarding the compliances as stated and noted by the Audit Committee;
- iv Representations made and information provided by the company, its officers, agents and authorized representatives during our conduct of the Secretarial Audit.

### Compliance with specific statutory provisions:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 and made available to us, according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not applicable to the company during the year under review)
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed are under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the company during the Audit Period)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the company during the Audit Period)

- (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the Audit Period)
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the Audit Period)
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (Not applicable to the company during the Audit Period)
- (f) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (Not applicable to the company during the Audit Period)
- (g) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the company during the Audit Period)
- (h) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the Audit Period)
- (l) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the company during the Audit Period).

**6.** The Reserve Bank of India Act, 1934;

**7.** The Following Regulations and Guidelines prescribed under the RBI Act, along with amendments thereto, to the extent applicable: -

- (a) Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016;
- (b) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
- (c) Master Direction-Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016
- (d) Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation), Directions, 2023
- (e) Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies)
- (f) Master Direction: (KYC) Direction, 2016
- (g) Master Direction: Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016
- (h) Miscellaneous Instructions to all Non-Banking Financial Companies

**8.** The Following other Acts, along with amendments thereto, to the extent applicable: -

- (a) The Employees Provident Fund and miscellaneous Provisions Act, 1952
- (b) The Employment Exchange (Compulsory notification of Vacancies) Act 1959
- (c) The Employees State Insurance Corporation Act - 1948 (ESIC)
- (d) The Professional Tax Act (PT) 1975
- (e) The Labour Welfare Fund Act (LWF) 1965
- (f) The Contract Labour (Regulation & Abolition) Act - 1970 (CLRA)
- (g) The Child Labour (Prohibition & Regulation Act), 1986
- (h) The Minimum Wages Act, 1948
- (i) The Payment of Wages Act, 1936
- (j) The Payment of Bonus Act, 1965

- (k) Maternity Benefit Act, 1961
- (l) The Equal Remuneration Act, 1976
- (m) The Payment of Gratuity Act, 1972
- (n) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (o) The Employees Compensation ACT-1923
- (p) Shops and Commercial Establishments Act (S&E Act), 1947

**9.** The Following Circulars/notifications issued by the RBI, along with the amendments introduced there to from time to time, to the extent applicable: -

- (a) Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditor (SAs) of Commercial Banks (Excluding RRBs), UCBs and NBFCs (Including HFC) dated April 27, 2021
- (b) Resolution Framework-2.0: Resolution of Covid-19 Related Stress of Individuals and Small Business Dated May 05, 2021
- (c) Prudential Norms On Income Recognition, Asset Classification and Provisioning Pertaining to Advances Clarifications Dated November 12, 2021
- (d) Other Special Circulars or Notifications by RBI from time to time and applicable to the company.

**10.** Guidelines on Group Insurance issued by the IRDAI to the extent applicable;

**We have also visited & examined the Website of the Company where following policies and codes were placed:**

- (a) Customer Grievance Policy;
- (b) Interest Rate Policy;
- (c) Prevention of Sexual Harassment Policy;
- (d) Whistle Blower Policy;
- (e) ESG Policy;
- (f) Fair Practice Code and
- (g) Rating, Grading and Liquidity Risk Disclosure.
- (h) Corporate Social Responsibility Policy

**We have also examined compliance with the applicable clauses of the following:**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India viz. SS-1 & SS-2.
- (ii) The Listing Agreements entered into by the Company with BSE and NSE Stock Exchange(s); (Not applicable to the company during the Audit)
- (iii) All the applicable provisions of law including ESIC, EPF, Labour laws, and based on the above examination, we report that, during the year under review, the Company has complied with the provisions of the Acts, Rules, Guidelines and Standards mentioned above subject to the following observations/qualification:-

**(a) The Company has complied with the provisions of the above Directions and circulars/ guidelines issued thereunder, except in respect of matters specified below: -**

Sr. No	Compliance Requirement (Notifications/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	All complied	NIL	NIL

**Disclaimer:-** The Reserve Bank of India issued a supervisory letter, vide MSNBFC No. 21-15-040/S35/2025-26 dated 4th June 2025, on account of the Select Scope Option and Risk Assessment of the Company under Section 45N of the Reserve Bank of India Act, 1934.

The Company filed its response via email dated 7th July 2025. As represented by the Management that the matter will be placed before the Board at the meeting scheduled for 8th September 2025, and the final dispensation shall be made by the RBI after the Board Meeting.

**(b) The Company has maintained proper records under the provisions of the above Directions and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.**

**(c) The following are the details of actions taken against the Company/ its promoters/ directors/ subsidiaries either by Ministry of Corporate Affairs or by Reserve Bank of India (including under the Standard Operating Procedures issued by RBI through various circulars) under the aforesaid Acts/ Rules and circulars/ guidelines issued thereunder:**

Sr. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
	NA	NA	NA	NA

**(d) The Company has taken the following actions to comply with the observations made in previous reports:**

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the last year	Actions taken by the company, if any	Comments of the Practicing Company Secretary on the actions taken by the company
	NA	NA	NA	NA

## We further report that,

### I. Board Processes;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors & Independent Directors.

There are following changes made in the composition of the Board of Directors during the period under review:

- Mr. Agustin Vitorica has been appointed as Nominee Director of the Company on 05th Day of September 2024.
- Ms. Laetitia Counye has been appointed as Nominee Director of the Company on 05th Day of September 2024.
- Mr. Yasvant Malhotra had resigned as Independent Director of the Company on 04th Day of September 2024.

There are following changes made in the Statutory Auditors of the Company during the period under review:

M/s S S Kothari Mehta & Co. LLP, Chartered Accountants (Firm Registration Number 000756N/N500441) were appointed as the statutory auditors of the Company by the members at the Annual General Meeting of the Company held on Monday, September 30, 2024 in terms of the provisions of Section 139 and other applicable provisions, if any of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time for a period of 3 (three) years from the conclusion of the Annual General Meeting for the financial year 2023-2024 until the conclusion of the Annual General Meeting for the financial year 2026-2027 for conducting statutory audit of the Company for the financial year ended March 31, 2025 to financial year ended March 31, 2027.

As on 31st March, 2025 and after taking note of above consideration, the Board comprises of:

- (i) 2 (Two) Executive Promoters Directors
- (ii) 5 (Five) Non-Executive Nominee Directors (out of five nominee Directors, two are women Directors)
- (iii) 2 (Two) Non-Executive Independent Directors

Further, the compositions of the Committees under various statutes are as follows:

- (i) Resourcing Committee has 3 members.
- (ii) For the period under review, Grievance Redressal Committee has 4 members
- (iii) For the period under review, Audit Committee was re-constituted with 5 members consisting of 2 Independent, 2 Nominee and 1 Executive Director.
- (iv) For the period under review, Nomination & Remuneration Committee has four members with 1 Executive Director, 1 Nominee Director and 2 Independent Director.
- (v) For the period under review, Credit & Risk Management Committee" was re-constituted with 4 members consisting of 1 Independent, 2 Nominee Director and 1 Executive Director.
- (vi) For the period under review, "Social Performance Management Committee" was re-constituted with 2 members consisting of 1 Nominee Director and 1 Executive Director.
- (vii) During the period under review Asset Liability Committee was 4 member out of which 2 are Executive Director, 1 is Deputy Vice President of Finance and 1 is Deputy Vice President of Account.
- (viii) During the period under review IT Strategy Committee was re-constituted with 3 members with 1 Executive Director, 1 Independent Director and 1 Nominee Director.

**Observation:** The Committees, including the Audit Committee, Nomination & Remuneration Committee, and Social Performance Committee (CSR) should be reviewed and re-constituted in accordance with the applicable provisions of the Companies Act, 2013 and Master Direction - Reserve Bank of India (Non Banking Financial Company - Scale Based Regulation) Directions, 2023.

## II. Board Meetings:

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All the decision is carried out unanimously/majority by the members and recorded proper way in minutes.

During the period under review following Board Meeting were scheduled and duly held:-

- 11.06.2024
- 19.06.2024
- 03.07.2024
- 12.07.2024
- 05.09.2024
- 06.12.2024
- 26.03.2025

## III. Compliance Mechanism:

**We report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and also report that the company has filed all statutory returns with Income Tax Authority, ROC, RBI and Authorities under other applicable laws.

## IV. Specific Events:

**We further report that** during the audit period the company has undertaken specific events/actions as mentioned herein, that can have major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, standards:

### a. Issue and Allotment of Non-Convertible Debentures (Secured):

During the year under review, the Company has: -

- (i) Issued & Allotted on 02nd day of January, 2025, 20,000 Unlisted Unrated Unsecured Redeemable NCDs ("NCDs" or "Debentures") denominated in Indian Rupees ("INR") each having a face value of INR 1000/- (Indian Rupees One Thousand Only) aggregating to Rs. 2,00,00,000/- (Rupees Twenty Two Crore Only) ("Debentures") on a Private Placement basis to "Ms. Tanu Jain";

**b. Issue and Allotment of Equity and Optionally Convertible Preference Shares**

During the year under review, the Company has: -

- (I) Issued & Allotted on 25th Day of July 2024, 12,95,724 Optionally Convertible Redeemable Preference Share denominated in Indian Rupees each having face value of Rs. 10 and premium of Rs. 81.20/- amounting to Rs. 11,81,70,028.80 (Eleven Crore Eighty-One Lakh Seventy Thousand Twenty Eight Rupee and Eighty Paise Only)

**c. Issue and Allotment of Equity Under ESOP (Employees Stock Option Scheme 2019)**

During the year under review, the Company has: -

- (I) Issued & Allotted on 03rd Day of November 2024, 25,096 equity share as per Employees Stock Option Scheme 2019.

**d. Increase in Authorized Capital of the Company:**

During the year under review, the Company has increased its Authorized Capital

Company increases its Authorised Share Capital to Rs. 51,64,57,240.00 (Rupees Fifty-One Crore Sixty-Four Lakh Fifty-Seven Thousand Two Hundred Forty Only) divided into 1,86,00,000 (One Crore Eight Six Lakh) equity shares of Rs. 10 each, 3,17,50,000 Three Crore Seventeen Lakh Fifty Thousand) Series C Compulsory Convertible Preference Share and 12,95,724 (Twelve lakh Ninety-Five Thousand Seven Hundred Twenty-Four) Optionally Convertible Redeemable Preference share of Rs. 10 each.

**e. Changes in the Articles of Association of the Company**

During the year under review, the Company adopted the amended and restated articles of association by incorporating the provisions of the SHA, as approved by its shareholders on March 31, 2025.

**PLACE: Varanasi**  
**DATE: 08-09-2025**

**AJAY JAISWAL & CO.**

**(AJAY KR JAISWAL)**  
**COMPANY SECRETARIES**  
**C P NO. 3684**  
**UDIN: F005112G001198073**

# Annexure to the Secretarial Audit Report

To,  
The Members,  
Sindhuja Microcredit Private Limited  
Office No. 601-607, 6th Floor, Tower A Noida One,  
Plot No.8, Block-B, Sector-62, Noida  
Gautam Budh Nagar UP 201307 IN

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records 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 process 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 process and practices, we followed provide a reasonable basis for our opinion.
3. Our Audit examination is restricted only up to legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same;
4. Wherever our Audit has required the examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute. We have conducted online verification & examination of records, as facilitated by the Company;
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company, as they are subject to audit by the Statutory Auditors of the Company appointed under section 139 of the Companies Act, 2013;
6. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
7. The compliance with the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
8. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and framed in accordance with audit practices;
9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;
10. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

## Disclaimer

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.

**PLACE: Varanasi**  
**DATE: 08-09-2025**

**AJAY JAISWAL & CO.**

**(AJAY KR JAISWAL)**  
**COMPANY SECRETARIES**  
**C P NO. 3684**  
**UDIN: F005112G001198073**

# TO THE MEMBERS OF SINDHUJA MICROCREDIT PRIVATE LIMITED

## Report on the Audit of the Ind AS financial statements

### Opinion

We have audited the accompanying Ind AS financial statements of **SINDHUJA MICROCREDIT PRIVATE LIMITED** ("the Company"), which comprise the Balance sheet as at 31st March 2025, 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 Ind AS financial statements, including a summary of material accounting policies and other explanatory information. (hereinafter referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 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 other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit (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 in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statement.

### Emphasis of Matter

We draw attention to note no. 58 to the Ind AS financial statements with regards to requirement to maintain minimum 75% of the company's total assets in the nature of "Microfinance loans" as define under Qualifying Assets Criteria of Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022. As on March 31, 2025, the Company's qualifying assets are 69.65 % of their total assets. Accordingly, the Company has written a letter dated April 30, 2025 to Reserve Bank of India (RBI) requesting waiver for not meeting the minimum Qualifying Assets Criteria. The Company has also apprised RBI of the circumstances under which this breach occurred and has sought time till March 31, 2026 to comply with the Qualifying Assets Criteria of Master Direction. However, requisite approval from RBI has not been received till the date of this report. Our report is not modified in respect of this matter.

### Information Other than the Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board report but does not include the Ind AS financial statements and our auditor's report thereon. The Company's Board report is expected to be made available to us after the date of this auditor's report.

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

When we read the Board report identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

## **Responsibilities of Management & Those Charged with Governance for the Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibilities for the Audit of the Ind AS financial statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS 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)(l) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## Other Matters

The comparative financial information of the company for the year ended 31 March 2024 were prepared in accordance with the Accounting Standards specified under section 133 of the act, read with rule 7 of the companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India which were audited by SCV & Co. LLP, Chartered Accountants ("previous auditors") who issued an unmodified auditor's report dated June 19, 2024. Those reports are furnished to us by the management and relied upon by us for the purpose of issuing this report on the Ind As financial statements for year ended March 31, 2025.

The figures for the year ended March 31, 2024 have been derived after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2023) and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended March 31, 2025, which has been audited by us.

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

## 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 in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report that:-
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Rules.
  - g) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

The provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:-
  - i. the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer Note 45 to the Ind AS financial statements.
  - ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts. – Refer Note 43 to the Ind AS financial statements.
  - iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2025.

- iv. a. The Management has represented that, to the best of its knowledge and belief, 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, whether, 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;
- b. The Management has represented, that, to the best of its knowledge and belief, 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, whether, 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;
- c. Based on the audit procedures that have 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 (a) and (b) above, contain any material misstatement.
- v. the company has not declared or paid any dividend during the year ended March 31,2025.
- vi Based on our examination which included test checks, the Company has used accounting software and loan management software for maintaining its books of account which has feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, wherein the audit trail functionality was enabled and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

**For S S Kothari Mehta & Co. LLP**  
**Chartered Accountants**  
**Firm Registration No. 000756N / N500441**

**Vijay Kumar**  
Partner  
Membership No : 092671  
UDIN: 25092671BMOFCR5786

Place : New Delhi  
Date: June 02, 2025

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

### (Referred to in paragraph 1 under 'Report on Other Legal & Regulatory Requirements' section of our report to the Members of SINDHUJA MICROCREDIT PRIVATE LIMITED of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

#### i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- a). (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- b). The Property, Plant & Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c). Based on the information and explanation given to us, the Company does not have any immovable property, hence reporting under clause 3(l) (c) of the order is not applicable.
- d). According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
- e). According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. a). The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- b). The company has not been sanctioned working capital limits in excess of rupees five crore. Accordingly, the requirement to report on paragraph 3 (ii) (b) of the order is not applicable to the company.
- iii. a). Since, the Company's Principal business is to give loans and accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable as the Company.
- b). In our opinion, the investments made and the terms and conditions of the grant of all loans provided, during the year are, prima facie, not prejudicial to the Company's interest. Company has not provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties.
- c). In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation. Since, the Company is NBFC and considering the significant volume of transactions with number of borrowers furnishing the number of cases of default is practically not feasible.
- d). In respect of loans granted by the Company, the details of total amount overdue above 90 days are as follows:-

(Amount in Rs. in Lakhs)

Type of Loan	Nos of Cases	Principal Overdue	Interest Overdue	Total Overdue
JLG (Joint Liability Group)	4,094	49.63	4.91	54.54
MSME (Micro Small & Medium Enterprises Loans)	1	14.66	0.90	15.56
<b>Total</b>	<b>4,095</b>	<b>64.29</b>	<b>5.81</b>	<b>70.10</b>

Based on the information & explanations given to us, reasonable steps have been taken by the Company for the recovery of the Principal & Interest.

- e). Reporting under clause 3(iii)(e) of the Order is not applicable as the Company is a Non-Banking Financial Company whose principal business is to give loans.
- f). 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 during the year. Hence the reporting under clause 3(iii)(f) is not applicable.

- iv. According to the information and explanations given to us, there are no transactions which are required to be reported under Section 185 of the Act, accordingly, provisions of section 185 of the Act are not applicable to the Company. However, the Company has complied with the provisions of section 186 of the Act in respect of investments made.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

**vii. In respect of statutory dues:**

- a). In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

- b). According to the records and information and explanation given to us, there are no dues in respect of statutory dues referred to in vii (a) above which have not been deposited on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix. a). According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender and hence, reporting under clause 3(ix)(a) of the Order is not applicable.

- b). Based on the information and explanations obtained by us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

- c). Money raised during the year by the Company by way of term loans has been applied for the purpose for which they were raised other than temporary deployment pending application of proceeds.

- d). According to the information and explanation given to us and based on our overall examination of records, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

- e). According to the information and explanation given to us and based on our examination of records, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, associate or joint venture. Further, the company does not have any subsidiary, associate or joint venture. Hence, reporting under clause 3(ix)(e) of the Order is not applicable.

- f). According to the information and explanation given to us and based on our examination of records, the Company has not raised loans on the pledge of securities held in its subsidiary, associate or joint venture during the year. Further, the company does not have any subsidiary, associate or joint venture. Hence, reporting under clause 3(ix)(f) of the Order is not applicable.

- x. a). The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

- b). According to the information and explanations given to us and based on our examination of records, during the year, The Company has issued Optionally Convertible Redeemable Preference Shares (OCRPS) in compliance with the provisions of Section 42 and section 62 of the Act read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and the funds raised through such issuance have been utilized for the intended purpose. The company has not made any preferential allotment or private placement of shares or convertible debentures (whether fully, partly, or optionally convertible).

- xi.** a). During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company or on the Company being noticed or reported during the year, nor have we been informed of such case by the management.
- b). According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c). As represented to us by the management, there are no whistle-blower complaints received by the Company during the year.
- xii.** The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii.** In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable Ind AS.
- xiv.** a). According to the information and explanation given to us and based on our examination of records, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b). We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our report, in determining the nature, timing and extent of our audit procedures.
- xv.** According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi.** a). The Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.
- b). The Company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c). According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- d). According to the information and explanations given to us and based on our examination of the records, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).
- xvii.** The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii.** There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on Clause 3(xviii) is not applicable to the Company.
- xix.** On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements and 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 indicating 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.** a). There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b). As per information and explanations given to us, there are no ongoing projects with respect to CSR. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

**For S S Kothari Mehta & Co. LLP**  
**Chartered Accountants**  
**Firm Registration No. 000756N / N500441**

**Vijay Kumar**

Partner

Membership No : 092671

UDIN: 25092671BMOFCR5786

Place : New Delhi

Date: June 02, 2025

## **ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF SINDHUJA MICROCREDIT 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") as referred to in paragraph 2(g) of 'Report on Other Legal and Regulatory Requirements' of our Independent Auditor's Report**

We have audited the internal financial controls with reference to Ind AS financial statements of **SINDHUJA MICROCREDIT PRIVATE LIMITED** ("the Company") as of March 31, 2025 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls with reference to the Ind AS financial statement 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS 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 Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to Ind AS 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 Ind AS 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 Ind AS financial statements.

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

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

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

Because of the inherent limitations of internal financial controls with reference to Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS 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, based on the records, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to Ind AS 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 S Kothari Mehta & Co. LLP**

**Chartered Accountants**

**Firm Registration No. 000756N / N500441**

## Vijay Kumar

Partner

Membership No : 092671

UDIN: 25092671BMOFCR5786

Place : New Delhi

Date: June 02, 2025

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Balance Sheet as at 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
<b>Assets</b>				
<b>Financial assets</b>				
Cash and cash equivalents	5	13,512.19	21,168.22	12,411.32
Bank balances other than cash and cash equivalents	6	9,866.44	3,391.86	1,655.77
Derivative financial instruments	7	72.12	-	-
Trade receivables	8	240.13	193.92	253.30
Loans	9	68,984.06	92,720.31	62,629.48
Other financial asset	11	859.51	619.35	784.34
<b>Total Financial assets</b>		<b>93,534.45</b>	<b>1,18,093.66</b>	<b>77,734.21</b>
<b>Non Financial assets</b>				
Current tax assets (net)	12	475.88	133.14	22.69
Deferred tax assets (net)	10	2,038.01	619.52	285.42
Property plant and equipment	14	421.49	332.55	234.18
Right- of- use assets	15	147.39	254.87	312.84
Intangible assets	16	3.22	5.95	5.85
Intangible assets under development	17	86.93	36.53	-
Other non-financial assets	13	244.18	220.17	125.93
<b>Total Non Financial assets</b>		<b>3,417.10</b>	<b>1,602.73</b>	<b>986.91</b>
<b>Total Assets</b>		<b>96,951.55</b>	<b>1,19,696.39</b>	<b>78,721.12</b>

Particulars	Notes	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
<b>Liabilities &amp; Equity</b>				
<b>Liabilities</b>				
<b>Financial liabilities</b>				
Derivative Financial instruments	7	-	23.02	-
Payables				
Trade payables	18			
(i) Total outstanding dues of micro enterprises and small enterprises		18.41	7.26	5.17
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		114.67	50.58	23.93
Debt securities	19	19,813.68	12,289.43	12,925.98
Borrowings (other than Debt securities)	20	49,112.31	74,681.71	48,613.36
Lease Liability	21	169.79	270.13	307.73
Other financial liabilities	22	664.54	1,888.69	1,302.24
<b>Total Financial Liabilities</b>		<b>69,893.40</b>	<b>89,210.82</b>	<b>63,178.41</b>

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Balance Sheet as at 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
<b>Non-Financial liabilities</b>				
Provisions	23	323.50	297.44	139.00
Other non-financial liabilities	24	262.35	257.40	153.24
<b>Total Non-financial liabilities</b>		<b>585.85</b>	<b>554.84</b>	<b>292.24</b>
<b>Total Liabilities</b>		<b>70,479.25</b>	<b>89,765.66</b>	<b>63,470.65</b>
<b>Equity</b>				
Equity share capital	25	1,667.59	1,665.08	1,662.40
Compulsory Convertible Preference Shares		3,028.39	3,028.39	1,976.03
Other equity	26	21,776.32	25,237.26	11,612.04
<b>Total Equity</b>		<b>26,472.30</b>	<b>29,930.73</b>	<b>15,250.47</b>
<b>Total Liabilities and Equity</b>		<b>96,951.55</b>	<b>1,19,696.39</b>	<b>78,721.12</b>

Summary of material accounting policies 1 to 4

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For S S Kothari Mehta & Co. LLP  
Chartered Accountants  
Firm Registration No. 000756N / N500441

For and on behalf of the Board of Directors  
Sindhuja Microcredit Private Limited

**Vijay Kumar**  
Partner  
Membership No : 092671

**Abhisheka Kumar**  
Managing Director  
DIN: 02972579

**Malkit Singh Didyala**  
Whole Time Director  
DIN: 07957488

**Pankaj Kumar Sinha**  
Company Secretary  
Membership No : 021971

Place : New Delhi  
Date: June 02, 2025

Place : Noida  
Date: June 02, 2025

Place : Noida  
Date: June 02, 2025

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Statement of Profit & Loss for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Revenue from operations</b>			
Interest Income	27	23,013.69	20,973.37
Fees and commission income	28	2,157.74	76.96
Net gain on fair value changes	29	205.52	12.79
Net gain on derecognition of financial assets	30	87.23	543.28
<b>Total Revenue from operation</b>		<b>25,464.18</b>	<b>21,606.40</b>
Other Income	31	226.67	4.14
<b>Total Non-financial liabilities</b>		<b>25,690.85</b>	<b>21,610.54</b>
<b>Expenses</b>			
Finance costs	32	9,754.98	9,260.38
Impairment of financial instruments	33	11,285.39	1,182.36
Employee benefits expenses	34	7,333.28	5,645.61
Depreciation and amortization expense	35	224.03	192.90
Other expenses	36	2,077.78	1,290.68
<b>Total Expenses</b>		<b>30,675.46</b>	<b>17,571.93</b>
<b>Profit / (Loss) before tax</b>		<b>(4,984.61)</b>	<b>4,038.61</b>
<b>Tax expense</b>			
Current tax		18.42	1,325.64
Deferred tax		(1,438.81)	(322.17)
Earlier year tax adjustments		(20.59)	(27.92)
<b>Total Expenses</b>		<b>(1,440.98)</b>	<b>975.55</b>
<b>Profit / (Loss) for the year</b>		<b>(3,543.63)</b>	<b>3,063.06</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
(i) Re-measurement (gains) / losses on defined benefit plans		(68.99)	47.42
(ii) Income tax relating to items that will not be reclassified to profit or loss		17.36	(11.93)
<b>Other comprehensive income for the year, net of tax</b>		<b>(51.63)</b>	<b>35.49</b>

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Statement of Profit & Loss for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Total comprehensive income for the year</b>		<b>(3,492.00)</b>	<b>3,027.57</b>
<b>Earnings per equity share (face value of Rs. 10 each)</b>			
Basic (loss)/ profit per equity share (in Rs.)	44	(7.55)	8.40
Diluted profit per Equity Share	44	(7.55)	8.37

Summary of material accounting policies 1 to 4

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For S S Kothari Mehta & Co. LLP  
Chartered Accountants  
Firm Registration No. 000756N / N500441

For and on behalf of the Board of Directors  
Sindhuja Microcredit Private Limited

**Vijay Kumar**  
Partner  
Membership No : 092671

**Abhisheka Kumar**  
Managing Director  
DIN: 02972579

**Malkit Singh Didyala**  
Whole Time Director  
DIN: 07957488

**Pankaj Kumar Sinha**  
Company Secretary  
Membership No : 021971

Place : New Delhi  
Date: June 02, 2025

Place : Noida  
Date: June 02, 2025

Place : Noida  
Date: June 02, 2025

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Statement of Cash Flows for the year ended 31 March, 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Cash flow from operating activities</b>		
Net profit / (loss) before taxation	(4,984.61)	4,038.61
Adjustments for:		
Depreciation and amortisation expenses	224.03	192.90
Provision for gratuity	47.96	61.98
Provision for compensated absences	67.96	107.00
Income from unwinding of Excess interest spread (EIS) receivable	328.84	733.17
ECL on Loans & Advances Assets	(39.29)	825.09
Interest income on unwinding of loans	(108.98)	460.60
Finance cost on lease liability	27.96	37.93
Gain on sale of mutual fund	(110.37)	(12.79)
Gain on sale of loan portfolio through assignment	-	(493.69)
Loss on sale of property plant and equipment	0.09	0.68
Loans written off	10,810.38	364.45
Amount written back	(163.79)	-
Share based compensation expense	17.24	24.01
Gain on prepayment of loan assets	(87.23)	(49.59)
Changes in the fair value of derivative liability	(95.15)	23.02
Net (gain)/loss on foreign currency transaction	148.71	16.76
Unwinding of security deposits	(3.76)	(3.24)
<b>Operating profit before working capital changes</b>	<b>6,079.99</b>	<b>6,326.89</b>
<b>Changes in working capital</b>		
Increase / (Decrease) in trade payables	239.03	28.74
Increase / (Decrease) in other financial liabilities	(1,224.15)	586.45
Increase / (Decrease) in provision	(20.87)	(57.96)
Increase / (Decrease) in other non-financial liabilities	4.95	104.16
(Increase) / Decrease in bank balance other than cash & cash equivalents	(6,474.58)	(1,736.09)
(Increase) / Decrease in trade receivables	(46.21)	59.38
(Increase) / Decrease in loans	13,161.38	(31,631.85)
(Increase) / Decrease in other financial assets	(565.24)	(98.36)
(Increase) / Decrease in other non financial assets	(24.01)	(126.67)
<b>Cash used in operations</b>	<b>11,130.28</b>	<b>(26,545.31)</b>
Income tax paid	(340.57)	(1,408.17)
<b>Net cash used in operating activities (A)</b>	<b>10,789.71</b>	<b>(27,953.48)</b>
<b>Cash flow from Investing activities</b>		
Payment for property, plant and equipment and intangible assets	(203.26)	(190.83)
Purchase of mutual fund	(13,810.00)	(7,615.00)
Proceeds from redemption of mutual funds	13,920.37	7,627.79
Payment for Intangible assets under development	(50.40)	(36.53)
Proceeds from sale of property plant and equipment	0.41	1.53
<b>Net cash flow used in investing activities (B)</b>	<b>(142.88)</b>	<b>(213.04)</b>

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Statement of Cash Flows for the year ended 31 March, 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Cash flow from Financing activities</b>		
Proceeds from debt securities	9,508.97	5,442.77
Repayment of debt securities	(2,133.33)	(6,096.06)
Proceeds from other than debt securities	28,273.70	65,958.22
Repayment of other than debt securities	(53,844.37)	(39,889.87)
Payment of lease liabilities (including interest)	(128.30)	(120.31)
Proceeds from issue of equity shares (including security premium)	8.49	9.06
Proceeds from issue of compulsorily convertible preference shares (including security premium)	-	11,619.61
Proceeds from issue of optionally convertible redeemable preference shares (including security premium)	11.98	-
<b>Net Cash Flows from Financing Activities</b>	<b>(18,302.86)</b>	<b>36,923.42</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(7,656.03)</b>	<b>8,756.90</b>
Cash and cash equivalents at the beginning of the year	21,168.22	12,411.32
<b>Cash and cash equivalents at the end of the year</b>	<b>13,512.19</b>	<b>21,168.22</b>
<b>Cash and cash equivalents comprise</b>		
Balances with banks		
In bank accounts	1,213.32	633.06
Fixed deposits with maturity of less than 3 months	12,284.28	20,535.01
Cash on hand	14.59	0.15
<b>Total cash and cash equivalents at end of the year</b>	<b>13,512.19</b>	<b>21,168.22</b>

### Note:

1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS -7 "Statement of cash flow" as specified under section 133 of the Companies Act, 2013.

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For S S Kothari Mehta & Co. LLP  
Chartered Accountants  
Firm Registration No. 000756N / N500441

For and on behalf of the Board of Directors  
Sindhuja Microcredit Private Limited

**Vijay Kumar**  
Partner  
Membership No : 092671

**Abhisheka Kumar**  
Managing Director  
DIN: 02972579

**Malkit Singh Didyala**  
Whole Time Director  
DIN: 07957488

**Pankaj Kumar Sinha**  
Company Secretary  
Membership No : 021971

Place : New Delhi  
Date: June 02, 2025

Place : Noida  
Date: June 02, 2025

Place : Noida  
Date: June 02, 2025

# Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Notes to the Material accounting policies & other explanatory information

(All amounts in INR Lakhs, unless otherwise stated)

## 1. Corporate Information

Sindhuja Microcredit Private Limited ("the Company") is a private limited Company incorporated under the provisions of the Companies Act, 2013 (the "Act") and having its registered office at Noida Uttar Pradesh, India. The Company is a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') and is registered as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with the Reserve Bank of India ("RBI") on 11 September 2018. The Company is engaged primarily in providing micro finance services to women in the rural and semi-rural areas of India who are enrolled as members and organized as Joint Liability Groups ('JLG').

## 2. Basis of Preparation of Financial Statements

### 2.01 - Statement of compliance with Ind AS

The financial statements of the Company as at and for the year ended March 31, 2025, have been prepared in accordance with requirements of Indian Accounting Standards ("Ind AS") notified by under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) as prescribed under Section 133 of the Companies Act, 2013 ('Act'), guideline issued by RBI, other accounting principles generally accepted in India and presentation requirements of Division III of Schedule III of the Act (Ind AS compliant Schedule III) as applicable to the Company.

In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations which require a different treatment. The notified Accounting Standards (AS) are followed by the Company insofar as they are not inconsistent with the NBFC Regulations. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

The financial statements have been prepared using the material accounting policies and measurement bases summarized below. The accounting policies have been used throughout all periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS. These financial statements have been prepared on a going concern basis.

For all periods up to and including the year ended 1 April 2023, the Company had prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) which is considered as "Previous GAAP"

These financial statements are the first financial statements of the Company under Ind AS. Refer note 4 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position and financial performance.

In accordance with Ind AS 101- "First Time Adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented a reconciliation of Shareholders' equity under Previous GAAP and Ind AS as at 31 March, 2024, and 1 April, 2023 and of the Net Profit as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended 31 March, 2024. (Refer note no. 4)

**The financial statements for the year ended March 31, 2025, were authorized and approved for issue by the Board of directors on June 02, 2025.**

### i. Going Concern

Management is of the view that having regard to the projections of the business prospects, Company shall be able to continue as a going concern. Accordingly, management considers it appropriate to prepare these financial statements on a going concern basis.

The financial statements have been prepared using the material accounting policies and measurement bases summarized as below. These policies are applied consistently for all the periods presented in the financial statements.

### ii. Presentation of financial statement

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2020, as amended ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis.

The Company uses accrual basis of accounting except in case of significant uncertainties. The financial statements are presented in Indian Rupees (INR) and all values are Lakhs up to two decimals, except when otherwise indicated. The regulatory disclosures as required by RBI Master Directions to be included as a part of the Notes to Accounts are also prepared as per the Ind AS financial statements.

# Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Notes to the Material accounting policies & other explanatory information

(All amounts in INR Lakhs, unless otherwise stated)

The Company presents its balance sheet in order of liquidity. 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, the parties also intend to settle on a net basis in all of the following circumstances:

- (a) The normal course of business
- (b) The event of default
- (c) The event of insolvency or bankruptcy of the Group and/or its counterparties

### iii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### iv. Functional & presentation currency

The financial statements are presented in Indian Rupees which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest lakhs, except when otherwise indicated.

### v. Use of estimates, judgements and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. example.. Business model assessment, effective rate of Interest.

## 3. Material accounting policies

Material accounting policies adopted by the Company are as under:

### 3.01 - Revenue Recognition

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 and supersedes current revenue recognition guidance found within Ind ASs.

The Company's revenue primarily consists of interest income on loans, interest income on fixed deposit, Interest income in business correspondent arrangement, Income from direct assignment and dividend Income.

#### **The Company recognises revenue from contracts with customers based on a five-step model as set out in IndAS 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.

# Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Notes to the Material accounting policies & other explanatory information

(All amounts in INR Lakhs, unless otherwise stated)

Income from other financial charges including cheque bouncing charges, foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

## **i. Interest and similar Income**

Under Ind AS 109 interest income is recorded using the Effective Interest Rate (EIR) method for all financial instruments measured at amortised cost, debt instrument measured at FVOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset

.The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked 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. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

The Company calculates interest income by applying the EIR i.e. Spreading the processing fees over the period of loan term and recognising the time-based proportionate processing fees to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the company reverts to calculating interest income on a gross basis.

Gains arising out of direct assignment transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the transaction 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 is recorded upfront in the statement of profit and loss. EIS is evaluated and adjusted for ECL, expected prepayment & expected collection cost.

## **ii. Income from assignment transactions**

The Company considers direct Assignment or transfer of loan assets as one of the alternative mode of revenue. Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised.

## **iii. Interest Income on deposit with bank**

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

## **iv. Gain / (loss) on fair value changes of financial asset**

The Company designates certain financial assets for subsequent measurement at Fair Value Through Profit or Loss (FVTPL). The Company recognises unrealised gains/(loss) on fair value change of financial assets measured at FVTPL and realised gains/(loss) on derecognition of financial asset measured at FVTPL on net basis.

## **v. Income from business correspondent arrangements**

The company entered into a contract to guarantee third-party loans, agreeing to reimburse losses if end customers default. In return, it earns a fee and recognizes both a financial asset and liability. Interest income from the asset is recognized over time as and when the services are rendered as per agreed terms and conditions of contract, while the liability is amortized on a straight-line basis.

## **vi. Other Income**

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

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### 3.02 - Property, Plant and equipment (PPE)

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Capital work in progress includes the cost of property plant and equipment that are not yet ready for their intended use and the cost of assets not put to use before the Balance Sheet date.

#### i. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April, 2023 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Based on technical assessment by the management or as useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment.. We have used following useful lives to provide depreciation of different class of its property, plant and equipment:

Type of Asset	Estimated Useful Life
Vehicle	8 years
Electrical equipment	10 years
Office equipment	5 years
Furniture & fixture	10 years
Computer equipment	3 years

Depreciation is calculated on pro-rata basis from the date on which the asset is ready for use or till the date asset is sold or disposed.

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.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

#### ii. De-Recognition

Property and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other operating income in the Statement of profit and loss in the year in which the asset is derecognised.

The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

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### 3.03 - Intangible assets

Intangible assets are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

#### i. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April, 2023 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

Intangible assets include computer software, which are acquired, capitalized and amortized on a useful life of assets prescribed under Schedule II of the Companies Act, 2013.

Type of Asset	Estimated Useful Life
Computer software	3 years

#### Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. These are recognized as assets when the Company can demonstrate following recognition requirements:

The development costs can be measured reliably

The project is technically and commercially feasible

The Company intends to and has sufficient resources to complete the project

The Company has the ability to use or sell such intangible asset

The asset will generate probable future economic benefits

Amortization of the asset begins when development is complete and the asset is available for use

### 3.04 - 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, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. The recoverable amount is the greater of the asset's 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 pre- tax discount rate to determine whether there is any indication that those assets have suffered any impairment loss. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

### 3.05 - Leases

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

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### Company as a lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.

The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received)

The Company depreciates the right-of-use assets on a straight-line basis from the lease 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 Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

### Determining the lease term of contracts with renewal and termination options where Company is lessee -

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

### 3.06 - Retirement and other employee benefits

#### a) - Short-term obligations

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is charged to the Statement of Profit and Loss in the period in which such services are rendered.

#### b) - Other long-term employee benefit obligations

##### (i) Defined contribution plans

The Company's contribution to employee provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

##### (ii) Defined benefit plan

Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service.

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Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

### 3.07 - Taxes

Income tax expense comprises of current and deferred tax. Current / Deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income in which case the related income tax is also recognised accordingly. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority. The Company only off-sets its deferred tax assets against liabilities when there is both a legal right to offset and it is the Company's intention to settle on a net basis.

#### i. Current tax

Current tax is the amount of income taxes payable/ receivable in respect of taxable profit/ loss for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

#### ii. Deferred taxes

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is recognized based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognized only to the extent that is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefits will be realized.

#### iii. Current tax and deferred tax for the year

Current tax and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 3.08 - Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company 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. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement in other operating expenses.

Where it is more likely that no present obligation exists at the end of the reporting period, the entity discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements, however they are disclosed when an inflow of economic benefits is probable.

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### 3.09 - Determination of Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above at each balance sheet date.

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair value-hierarchy (which reflects the significance of inputs used in the measurement).

Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows:

**-Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**-Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

### 3.10 - Financial instrument

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 and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instruments

#### i. Financial assets

##### Initial Recognition

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 costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

##### Subsequent measurement

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in statement of profit and loss.

Financial investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

All other equity investments are measured at fair value, with value changes recognised in Profit and loss, except for those equity investments for which the company has elected to present the changes in fair value through OCI.

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### Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement at fair value plus directly attributable costs, these financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

The measurement of credit impairment is based on the three-stage expected credit loss model described below.

### Business model

The business model reflects how the company manages the assets in order to generate cash flows. That is, whether the company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

### SPPI (Solely payments of principal and interest)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortised cost, as mentioned above, is computed using the effective interest rate method.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition. Transaction cost and income which is directly attributable to financial assets are amortised over the tenor of the loan. The amortised cost of the financial asset is adjusted if the company revises its estimates of payments or receipts. The adjusted amortised cost is calculated based on the original or latest re-estimated EIR and the change is recorded as 'Interest and similar income' for financial assets. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

### Financial Instrument measured at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

## ii. Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

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### iii. Financial liabilities

#### Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

#### Subsequent Measurement

Subsequent to initial recognition, all liabilities are measured at amortized cost using the effective interest method except for derivatives, financial liabilities designated for measurement at FVTPL which are measured at fair value.

#### Impairment of financial assets

The company applies the expected credit loss (ECL) model for recognising impairment loss as against norms of RBI.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

The company assesses at each reporting date whether a financial asset such as investments, loans and advances, non-fund-based limits not designated as FVTPL and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Lifetime Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

No ECL is recognised on equity investments.

#### 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.

#### PD estimation process

Probability of Default (PD) is an estimate of the likelihood of default in a homogenous pool of loans, over its performance period of following 12 month / lifetime horizon. PD estimation process is done based on historical & empirical internal data available with the company. 'Company calculates the 12-month PD by taking into account the past historical trends of the portfolio, credit performance including actual default data and Macro economic variables. For credit impaired assets (Stage 3), a PD of 100% is applied.

#### Exposure at Default (EAD)

EAD refers to the expected exposure to a borrower in the event of default. The Company considers the historical prepayments and uses the behavioral maturity of loans while calculating lifetime ECL for loans. The asset maturity pattern of the loans is used to estimate the expected balance at the end of each year after the reporting date. The asset maturity pattern of the loans is adjusted for prepayments using the historical prepayment rate.

#### Loss Given Default (LGD)

It is defined as the percentage risk of exposure that is not expected to be recovered in the event of default. Workout method is used to calculate the LGD by considering post default recoveries from all defaulted loans and comparing them with the balance outstanding at default. Such recoveries are discounted to the date of default using the interest rate of the loan. LGD is then calculated as the % of exposure not recovered at the date of default.

Financial assets are classified through the following three stages based on the change in credit risk since initial recognition:

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**Stage 1:** This includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date.

**Stage 2:** Includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL is recognized, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

**Stage 3:** Includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted). For these assets, lifetime ECL is recognized. And interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

## Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are 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.

Evidence that a financial asset is credit-impaired includes the following observable data:

- a) Significant financial difficulty of the borrower or issuer;
- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) The disappearance of an active market for a security because of financial difficulties.

## Measurement of ECLs

The Measurement of ECL reflects:

- a) An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes
- b) The time value of money
- c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECLs are derived from unbiased and probability weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the company in accordance with the contract and the cash flows that the company expects to receive.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the company if the commitment is drawn down and the cash flows that the company expects to receive.

ECLs are recognised using a provision for doubtful debts account in profit and loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECLs is based on the three-stage approach as applied to financial assets at amortised cost. The company recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the balance sheet.

## Write-off

Loans and debt securities are written off (either partially or in full) when 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 subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

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## Derecognition of financial assets and financial liabilities

### Financial assets

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of profit and loss.

### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

### Offsetting of financial instruments

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

## 3.11 - Financial guarantee

Financial guarantee are contracts that require the Company to make specified payments to reimburse the holder for loss that it incur because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial Guarantee contract is initially recognised at Fair Value. Subsequently, this guarantee is to be measured at the higher of an amount determined based on the expected loss method (as per guidance in Ind AS 109) or the amount originally recognised less, the cumulative amount recognised as income on a straight-line basis.

## 3.12 - Derivative Financial Instruments

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts, currency swaps and interest rate swaps, to manage its borrowing exposure to foreign exchange and interest rate risks. Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognised in statement of profit and loss.

### Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair value hedges the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset, liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in net gain/(loss) on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in net gain/(loss) on fair value changes.

## **Sindhuja Microcredit Private Limited**

CIN: U65990UP2017PTC099006

Notes to the Material accounting policies & other explanatory information

(All amounts in INR Lakhs, unless otherwise stated)

### **3.13 - Share-based payment arrangements**

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date in accordance with IND AS 102, Share-based payments. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

#### **Fair value of share-based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model.

### **3.14 - Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

#### **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

#### **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

#### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Reconciliation for the year ended 31 March 2024 & as at 01 April 2023

(All amounts in INR Lakhs, unless otherwise stated)

### 4 - First time adoption of Ind AS

Upto the Financial year ended March 31, 2024, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP").

The financial statement for the period ended 31 March 2025 is the first set of Financial Statements prepared in accordance with the requirements of IND AS 101 - First time adoption of Indian Accounting Standards. Accordingly, the transition date to IND AS is 01 April 2023.

Ind AS Financial Statements as at and for the year ended 31 March 2024 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (01 April 2023) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the year ended 31 March 2025.

The impact of above to the equity as at 31 March 2024 and 1 April 2023 (Opening balance sheet date) and on total comprehensive income for the year ended 31 March 2024 has been explained as under.

#### (A) Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

##### i) Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue the carrying value of all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost after making necessary adjustments to decommissioning liabilities. This exemption can also be used for intangible assets. Since there is no change in the functional currency, accordingly, as permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

##### ii) Leases

Ind AS - 116 is applied with Full retrospective approach, the Company has identified leases since the inception of all lease contracts that are presented in the financial statements, and has restated the comparative years presented.

**The Company also applied the available practical expedients wherein it:**

- Has used a single discount rate for leases in India to a portfolio of leases with reasonably similar characteristics.
- Has elected to apply short term lease exemption to leases for which the lease term ends within 12 months of the date of initial application.
- Has excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

#### (B) Mandatory Exemption on first-time adoption of Ind AS

##### i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for the following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- (i) Impairment of financial assets based on expected credit loss model.
- (ii) Fair valuation of Non-current Investments.
- (iii) Effective interest rate used in calculation of security deposit and retention money.

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Reconciliation for the year ended 31 March 2024 & as at 01 April 2023

(All amounts in INR Lakhs, unless otherwise stated)

### II) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

### III) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

## 4.1 - Reconciliations

The following reconciliations provide the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:

The presentation requirements under previous GAAP differs from Ind AS, and hence, previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP/ Indian GAAP information is derived from the Financial Statements of the Company prepared in accordance with previous GAAP.

### (a) Reconciliation of total equity as at 31 March, 2024 and 01 April, 2023

Particulars	Notes	As at 31 March 2024	As at 01 April, 2023
Equity Share Capital		1,665.08	1,662.40
Compulsorily Convertible Preference Shares		3,028.39	1,976.03
Securities Premium Account		20,189.51	9,615.88
Reserve Fund under RBI Act		1,193.13	534.18
ESOP Reserve		59.61	36.92
Retained Earnings		4,500.08	1,864.29
<b>Shareholder's equity as per previous GAAP</b>		<b>30,635.80</b>	<b>15,689.70</b>
<b>Adjustment</b>			
Effect due to EIR of processing fees on Loans & Advances	d (ii)	(1,168.47)	(703.56)
Effect due to EIR of processing fees on borrowings & debt securities	d (iii)	(134.02)	(115.28)
Effect of gain recognised on assignment transaction	d (x)	330.31	493.34
Impact due to fair value of security deposit	d (ix)	2.77	(0.47)
Effect on recognition of ECL on loan assets	d (i)	(8.81)	(284.80)
Impact of ROU & lease liability adjustment as per IND AS 116	d (iv)	(22.43)	-
Effect of income recognised on stage 3 loans & advances as per Ind AS	d (v)	81.09	27.18
Adjustment due to prior period error	d (xi)	(19.74)	-
Effect of cancellation of vested ESOP	d (viii)	(2.90)	(3.38)
Effect of Deferred tax on Ind AS adjustments	d (vii)	237.13	147.74
<b>Total Adjustment</b>		<b>(705.07)</b>	<b>(439.23)</b>
<b>Shareholder's equity as per Ind AS</b>		<b>29,930.73</b>	<b>15,250.47</b>

## Sindhuja Microcredit Private Limited

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Reconciliation for the year ended 31 March 2024 & as at 01 April 2023

(All amounts in INR Lakhs, unless otherwise stated)

### (b) Reconciliation of total comprehensive income for the year ended 31 March, 2024

Particulars	Notes	For the year ended <b>31 March, 2024</b> (latest period presented under previous GAAP)
<b>Net Profit/ (loss) after tax as reported under previous GAAP</b>		<b>3,294.74</b>
<b>Adjustment</b>		
Effect due to EIR of processing fees on Loans & Advances	d (ii)	(464.91)
Effect due to EIR of processing fees on borrowings & debt securities	d (iii)	(18.73)
Effect of gain recognised on assignment transaction	d (x)	(163.03)
Effect on recognition of ECL on loan assets	d (i)	275.99
Impact of ROU and lease liability adjustment as per IND AS 116	d (iv)	(22.43)
Impact due to fair value of security deposit	d (ix)	3.24
Effect of Actuarial (gain)/ loss on defined benefit plans	d (vi)	47.42
Effect of ESOP charged at fair value	d (viii)	(1.32)
Effect of income recognised on stage 3 loans and advances as per Ind AS	d (v)	53.91
Adjustment due to prior period error	d(xi)	(19.74)
Effect of cancellation of vested ESOP	d (viii)	0.33
Effect of Deferred tax on Ind AS adjustments	d (vii)	77.59
<b>Total effect of transition to Ind AS</b>		<b>(231.68)</b>
Remeasurement of defined benefit	d (vi)	(47.42)
Income tax relating to items that will not be reclassified to profit or loss	d (vii)	11.93
<b>Total comprehensive income/ (loss) under Ind AS</b>		<b>3,027.57</b>

(c) Reconciliation of Cash flow for the year ended 31 March 24	Indian GAAP*	Difference due to change in Ind AS and Prior Period Adjustments	Ind AS
Net cash (used in) operating activities	(28,134.04)	180.56	(27,953.48)
Cash flow from investing activities	(213.04)	-	(213.04)
Cash flow from financing activities	37,094.98	(171.56)	36,923.42
Net (decrease)/increase in cash and cash equivalents	8,747.90	9.00	8,756.90
Cash and cash equivalents at the beginning of the year	12,403.31	8.01	12,411.32
Cash and cash equivalents at the end of the year	21,151.21	17.01	21,168.22

### (d) Notes to first-time adoption

#### (i) ECL on Loans & Advances

Under previous GAAP, provision on loans was recognised based on RBI income recognition and asset classification norms. On transition to Ind AS, the Company has assessed impairment loss on loans, investments, trade receivables and other financial assets based on the expected credit loss model as required by Ind AS 109.

#### (ii) Interest recognition as per EIR

Under the previous GAAP, company recognizes full processing fees as income in statement of profit & loss at the time of disbursement of loan only. Under Ind AS, Transaction cost or recoveries shall not be transferred to statement of profit & loss, but these items will be adjusted in the transaction price and amortized over the tenure of the loan. And interest accrued on carrying value of such financial asset using effective interest method is recognized as 'interest income' under "Revenue from operation".

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Reconciliation for the year ended 31 March 2024 & as at 01 April 2023

(All amounts in INR Lakhs, unless otherwise stated)

### **iii) Borrowings measured at amortised cost using EIR**

Under previous GAAP, transaction costs incurred on borrowings were amortised to profit or loss on a straight line basis over the tenure of the borrowings. Under Ind AS 109 transaction costs incurred towards origination of financial liabilities (borrowings) are amortised to profit or loss as interest expense on an effective interest rate basis.

### **(iv) Effect of adopting Ind AS 116 - Leases**

Under previous GAAP, lessees used to classify a lease contract as a finance lease or an operating lease at the inception of contract. Under operating lease, rent payments were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. Under Ind AS, the Company measures the lease liability at the present value of the future lease payments as at transition date, discounted using the Company's incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expense. Further, the Company recognises a right-of-use asset which is made up of the initial measurement of the lease liability. Subsequent to initial measurement, the Company depreciates the right-of-use assets on a straight line basis from the lease 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 Company has followed modified approach to recognize lease liability and right-of-use asset as on the transition date.

### **(v) Interest recognised on stage 3 asset**

Under the previous GAAP, interest income on nonperforming assets (NPA) was recognised upon realisation as per RBI Guidelines. Under Ind AS, interest income from financial assets is recognised on an accrual basis using Effective Interest Rate (EIR) method on the gross carrying amount for assets falling under stages 1 and 2 and on the amortised cost for assets falling under stage 3. Accordingly, the Company has recognised income on stage 3 assets on the carrying value of the asset.

### **(vi) Defined benefit liabilities**

Both under previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, 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 Other comprehensive income.

### **(vii) Deferred tax**

Under previous GAAP, deferred tax was prepared using income statement approach. Under Ind AS, Company has prepared deferred tax using balance sheet approach. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

### **(viii) Employee Stock option expense**

Under the previous GAAP, the cost of employee stock options were recognised using the intrinsic value method wherein the excess of market price of share over the exercise price was recorded as an employee benefit expense. Under Ind AS, the cost of equity settled employee stock options is recognised based on the fair value of the options as at the grant date.

Under the previous GAAP, the company had the option to measure the cost of equity-settled employee share-based plan either using the intrinsic value method or using the fair value method. Under Ind AS, the cost of equity-settled share-based plan is recognised based on the fair value of the options as at the grant date.

### **(ix) Security deposit**

Under IGAAP, interest free security deposits given (that are refundable in cash on completion of the term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as ROU Asset / Prepaid expense based on the nature of deposit. Subsequently ROU asset is amortised over the lease term and Interest Income is recognised over the period of time.

### **(x) Income recognised on assignment transaction**

Under IGAAP, income on assignment transaction is recognised on accrual basis. However, Under Ind AS on the transition date financial asset has been recognised by discounting the future interest to be received by the Company from the assignee and subsequently interest income recognised due to unwinding

### **(xi) Adjustment due to prior period error**

During transition, prior period errors on account of interest accrued but not due on borrowings were identified & corrected in accordance with Ind AS 8.

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Reconciliation for the year ended 31 March 2024 & as at 01 April 2023

(All amounts in INR Lakhs, unless otherwise stated)

**4.2** Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

### **(a) Property, plant and equipment and intangible assets - Previous GAAP carrying value as deemed cost**

Ind AS 101 permits a first time adopter to elect to continue the carrying value of all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost after making necessary adjustments to decommissioning liabilities. This exemption can also be used for intangible assets. Since there is no change in the functional currency, accordingly, as permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

### **(b) Fair value measurement of financial assets or financial liabilities at initial recognition**

Ind AS 109 requires fair value measurement, retrospectively, however an entity may apply the requirements of Ind AS 109 prospectively to transactions entered into on or after the date of transition. Accordingly, the Company has opted this exemption.

### **(c) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April, 2022 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- (i) Impairment of financial assets based on expected credit loss model.
- (ii) Determination of the discounted value for financial assets and financial liability where applicable carried at amortised cost.

### **(d) Derecognition of financial assets and financial liabilities**

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

### **(e) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable. The above measurement exemption applies for financial liabilities as well.

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Statement of Changes in Equity for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### (A) Equity share capital

Particulars	As at 31st March, 2025		As at 31st March, 2024		As at 01 April, 2023	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Equity shares of INR 10 each issued, subscribed and fully paid up</b>						
Opening balance	16,650,827	1,665.08	16,624,033	1,662.40	16,624,033	1,662.40
Add: Issued during the year	25,096	2.51	26,794	2.68	-	-
<b>Total Revenue from operation</b>	<b>16,675,923</b>	<b>1,667.59</b>	<b>16,650,827</b>	<b>1,665.08</b>	<b>16,624,033</b>	<b>1,662.40</b>

### (B) Compulsorily Convertible Cumulative Preference Shares

Particulars	As at 31st March, 2025		As at 31st March, 2024		As at 01 April, 2023	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	30,283,858	3,028.39	19,760,312	1,976.03	19,760,312	1,976.03
Add: Issued during the year	-	-	10,523,546	1,052.36	-	-
Less: Preference shares converted into equity shares	-	-	-	-	-	-
Less: Bought back during the year	-	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>30,283,858</b>	<b>3,028.39</b>	<b>30,283,858</b>	<b>3,028.39</b>	<b>19,760,312</b>	<b>1,976.03</b>

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Statement of Changes in Equity for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### (C) Optionally Convertible Redeemable Preference shares (OCRPs)

Particulars	As at 31st March, 2025		As at 31st March, 2024		As at 01 April, 2023	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	-	-	-	-	-	-
Add: Issued during the year	1,295,724	12.96	-	-	-	-
Less: Preference shares converted into equity shares	-	-	-	-	-	-
Less: Bought back during the year	-	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,295,724</b>	<b>12.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### (D) Other equity

Particulars	Securities premium	Reserve fund [u/s 45(IC) of the Reserve Bank of India Act, 1934]	Retained earnings	Other comprehensive income	Share based payment reserve	Equity component of OCRPs	Total
<b>Balance as at 1 April, 2023</b>	9,615.88	534.18	1,435.10	-	26.88	-	11,612.04
Profit for the year	-	-	3,063.06	-	-	-	3,063.06
Premium on issue of compulsorily convertible preference shares	10,947.64	-	-	-	-	-	10,947.64
Share issue expenses	(380.39)	-	-	-	-	-	(380.39)
Transfer to / (from) statutory reserve under 45IC of RBI Act 1934	-	612.61	(612.61)	-	-	-	-
Transfer to Share based payment reserve	-	-	-	-	24.01	-	24.01
Transferred from ESOP Reserve due to cancellation of ESOP after vesting (net of deferred tax)	-	-	2.18	-	(2.18)	-	-
Share option exercised during the year	9.77	-	-	-	(3.38)	-	6.39
Other comprehensive income / (loss) for the year	-	-	-	(35.49)	-	-	(35.49)
<b>Balance as at 31 March, 2024</b>	<b>20,192.90</b>	<b>1,146.79</b>	<b>3,887.73</b>	<b>(35.49)</b>	<b>45.33</b>	<b>-</b>	<b>25,237.26</b>

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Statement of Changes in Equity for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Securities premium	Reserve fund [u/s 45(IC) of the Reserve Bank of India Act, 1934]	Retained earnings	Other comprehensive income	Share based payment reserve	Equity component of OCRPS	Total
<b>Balance as at 1 April, 2024</b>	20,192.90	1,146.79	3,887.73	(35.49)	45.33	-	25,237.26
Profit for the year	-	-	(3,543.63)	-	-	-	(3,543.63)
Issue of Optionally Convertible Redeemable Preference Shares (OCRPS)	-	-	-	-	-	8.82	8.82
Share issue expenses	(0.98)	-	-	-	-	-	(0.98)
Transfer to / (from) statutory reserve under 45IC of RBI Act 1934	-	-	-	-	-	-	-
Transferred from ESOP Reserve due to cancellation of ESOP after vesting (net of deferred tax)	-	-	4.16	-	(4.16)	-	-
Transfer to Share based payment reserve	-	-	-	-	17.24	-	17.24
Share option exercised during the year	10.77	-	-	-	(4.79)	-	5.98
Other comprehensive income / (loss) for the year	-	-	-	51.63	-	-	51.63
<b>Balance as at 31 March, 2025</b>	<b>20,202.69</b>	<b>1,146.79</b>	<b>348.26</b>	<b>16.14</b>	<b>53.62</b>	<b>8.82</b>	<b>21,776.32</b>

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

As per our attached report of even date

**For S S Kothari Mehta & Co. LLP**  
**Chartered Accountants**  
**Firm Registration No. 000756N / N500441**

**Vijay Kumar**

Partner  
Membership No : 092671

Place : New Delhi  
Date: June 02, 2025

**For and on behalf of the Board of Directors**  
**Sindhuja Microcredit Private Limited**

**Abhisheka Kumar**  
Managing Director  
DIN: 02972579

**Malkit Singh Didyala**  
Whole Time Director  
DIN: 07957488

**Pankaj Kumar Sinha**  
Company Secretary  
Membership No : 021971

Place : Noida  
Date: June 02, 2025

Place : Noida  
Date: June 02, 2025

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 5 - Cash And Cash Equivalents

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
<b>Balances with banks:</b>			
-In current accounts	1,213.32	633.06	501.39
-Fixed deposits with maturity of less than 3 months	12,284.28	20,535.01	11,908.01
Cash on hand	14.59	0.15	1.92
<b>Total</b>	<b>13,512.19</b>	<b>21,168.22</b>	<b>12,411.32</b>

### 6 - Bank Balances other than Cash and Cash Equivalent

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Deposits with remaining maturity for more than 3 months but less than 12 months	4,953.96	1,791.23	247.93
Deposits with remaining maturity more than 12 months	4,912.48	1,600.63	1,407.84
<b>Total</b>	<b>9,866.44</b>	<b>3,391.86</b>	<b>1,655.77</b>

The amount under lien as security against term loan and overdraft facility availed, assets securitised, first loss default guarantee are as follows (included above in note-6):-

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Term loans	2,962.56	3,240.12	1,527.09
Overdraft facilities	151.21	137.60	128.68
Derivatives	41.24	14.13	-
Security against first loss default guarantee	1,251.20	-	-

### 7 - Derivative Financial Instrument

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
<b>Carried at fair value (Assets)</b>			
Cross currency swap rate contract not designated in hedge accounting relationship * (refer Note-56.3)	72.12	-	-
<b>Total</b>	<b>72.12</b>	<b>-</b>	<b>-</b>
<b>Carried at fair value (Liability)</b>			
Cross currency swap rate contract not designated in hedge accounting relationship * (refer Note-56.3)	-	(23.02)	-
<b>Total</b>	<b>-</b>	<b>(23.02)</b>	<b>-</b>

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### Qualitative Disclosures

The Company, in accordance with regulations set forth by the Reserve Bank of India for Non-Banking Financial Companies engaged in Microfinance (NBFC-MFIs), complies with FEMA Regulations, notifications, and circulars issued for External Commercial Borrowings.

Given the inherent volatilities and uncertainties in the global Foreign Exchange markets, the Company faces potential risk due to adverse currency movements as it holds foreign currency liabilities. Additionally, the Company is also exposed to interest rate risk on its long-term Foreign Currency Loans.

To mitigate these risks, the company has implemented a Forex Risk Management policy aimed at reducing the probability and potential costs of financial distress by achieving currency and interest rate neutrality. Under this policy, any exposure in foreign currency is fully hedged covering the currency risk as well as the interest rate risk on the day of the liability's emergence. The authority to make decisions regarding the quantum and tenor of hedging is delegated by the Board committee/Board of Directors as necessary.

Furthermore, the company adheres to accounting standards and guidance notes issued by the Institute of Chartered Accountants of India for the recognition of losses, gains, creation of assets or liabilities. The foreign currency exposure reporting is provided to the board on an annual basis to ensure comprehensive oversight.

### Quantitative Disclosures\*

Particulars	As at 31 March 2025		As at 31 March 2024	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
Derivatives (Notional Principal Amount)	5,960.10	-	1,787.60	-
For Hedging	-	-	-	-
Marked to Market Positions				
(a) Assets (+)	72.12	-	-	-
(b) Liability (-)	-	-	(23.02)	-
Credit Exposure	-	-	-	-
Unhedged Exposure	-	-	-	-

*The Company has entered into Full Currency Swaps that allows to convert long term FCY liability (Interest and Principal) to a fixed INR liability*

### 8 - Trade Receivables

Particulars	As at	As at	As at
	31 March 2025	31 March 2024	01 April 2023
Unsecured, considered good	240.13	193.92	253.30
Unsecured, considered doubtful	-	-	-
<b>Total</b>	<b>240.13</b>	<b>193.92</b>	<b>253.30</b>
<b>Further classified as:</b>			
Receivable from related parties	-	-	-
Receivable from others	240.13	193.92	253.30
<b>Total</b>	<b>240.13</b>	<b>193.92</b>	<b>253.30</b>

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Trade receivables Ageing Schedule as on <b>31 March 2025</b>	Outstanding for following year from due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	231.71	5.03	1.03	2.36	-	<b>240.13</b>
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-
	<b>231.71</b>	<b>5.03</b>	<b>1.03</b>	<b>2.36</b>	<b>-</b>	<b>240.13</b>

Trade receivables Ageing Schedule as on <b>31 March 2024</b>	Outstanding for following year from due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	191.56	-	2.36	-	-	<b>193.92</b>
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-
	<b>191.56</b>	<b>-</b>	<b>2.36</b>	<b>-</b>	<b>-</b>	<b>193.92</b>

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Trade receivables Ageing Schedule as on <b>1 April 2023</b>	Outstanding for following year from due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	253.30	-	-	-	-	<b>253.30</b>
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-
	<b>253.30</b>	-	-	-	-	<b>253.30</b>

*Note: No trade or other receivable are due from directors and other officers of the Company either severally or jointly with any other person.*

*Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivable are non-interest bearing and short term in nature, hence does not involve any significant credit risk.*

## 9 - Loans (at amortised cost)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
<b>Term Loans</b>			
Group lending loans	69,215.73	94,052.43	63,562.55
MSME loans	1,487.21	426.04	-
<b>Total Gross</b>	<b>70,702.94</b>	<b>94,478.47</b>	<b>63,562.55</b>
Less: Impairment loss on allowance	(1,718.88)	(1,758.16)	(933.07)
<b>Total Net</b>	<b>68,984.06</b>	<b>92,720.31</b>	<b>62,629.48</b>

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
(a) Secured	1,487.21	426.04	-
(b) Unsecured	69,215.73	94,052.43	63,562.55
<b>Total Gross</b>	<b>70,702.94</b>	<b>94,478.47</b>	<b>63,562.55</b>
Less: Impairment loss on allowance	(1,718.88)	(1,758.16)	(933.07)
<b>Total Net</b>	<b>68,984.06</b>	<b>92,720.31</b>	<b>62,629.48</b>
(a) Public sector	-	-	-
(b) Other	70,702.94	94,478.47	63,562.55
<b>Total Gross</b>	<b>70,702.94</b>	<b>94,478.47</b>	<b>63,562.55</b>
Less: Impairment loss on allowance	(1,718.88)	(1,758.16)	(933.07)
<b>Total Net</b>	<b>68,984.06</b>	<b>92,720.31</b>	<b>62,629.48</b>
<b>Above amount includes</b>			
(a) Loans provided in India	70,702.94	94,478.47	63,562.55
(b) Loans provided outside India	-	-	-
<b>Total Gross</b>	<b>70,702.94</b>	<b>94,478.47</b>	<b>63,562.55</b>
Less: Impairment loss on allowance	(1,718.88)	(1,758.16)	(933.07)
<b>Total Net</b>	<b>68,984.06</b>	<b>92,720.31</b>	<b>62,629.48</b>

Note 1- The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are - (a) repayable on demand or (b) without specifying any terms or period of repayment.

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

*Note 2- The Company is primarily in the business of providing micro loans towards income generating activities with its operations spread out in different parts of India. The table below discloses credit quality of the Company's exposures as at reporting date.*

*Note 3- Loan portfolio amounting to Rs 61,843.32 lakhs (31 March 2024: 77,174.69 lakhs, 1 April 2023: ₹ 56,081.03 lakhs) is hypothecated with banks and financial institutions against amounts borrowed from the said banks and financial institutions.*

### Gross portfolio movement for the year ended 31 March 2025

Particulars	Stage I	Stage II	Stage III	Total
<b>Gross carrying value of loans as at 1 April 2024</b>	92,603.90	433.37	1,441.20	94,478.47
New loans originated during the year, net off for repayments & derecognised portfolio	(14,650.12)	535.58	1,136.76	(12,977.78)
Loans written off during the year	(1.57)	(74.25)	(10,721.93)	(10,797.75)
<b>Movement between stages:</b>				
Transfer from stage I	(9,438.43)	1,586.45	7,851.98	(0.00)
Transfer from stage II	-	(356.28)	356.28	-
Transfer from stage III	-	-	-	-
<b>Gross carrying value of loans as at 31 March 2025</b>	<b>68,513.78</b>	<b>2,124.87</b>	<b>64.29</b>	<b>70,702.94</b>

### Gross portfolio movement for the year ended 31 March 2024

Particulars	Stage I	Stage II	Stage III	Total
<b>Gross carrying value of loans as at 1 April 2023</b>	62,894.38	68.00	600.17	63,562.55
New loans originated during the year, net off for repayments and derecognised portfolio	30,929.46	162.15	177.09	31,268.70
Loans written off during the year	-	-	(352.78)	(352.78)
<b>Movement between stages:</b>				
Transfer from stage I	(1,219.94)	264.70	955.24	-
Transfer from stage II	-	(61.48)	61.48	-
Transfer from stage III	-	-	-	-
<b>Gross carrying value of loans as at 31 March 2024</b>	<b>92,603.90</b>	<b>433.37</b>	<b>1,441.20</b>	<b>94,478.47</b>

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### Reconciliation of loss allowance provision from beginning to end of reporting period:

Particulars	Loans			Total
	Stage I	Stage II	Stage III	
<b>ECL allowance on 1 April 2024</b>	238.50	246.42	1,273.24	1,758.16
New assets originated during the year, netted off for repayments and derecognised portfolio	308.96	1,141.04	8,025.34	9,475.34
Loans written off during the year	(0.00)	(42.22)	(9,472.40)	(9,514.62)
<b>Movement between stages:</b>				-
Transfer from stage I	(24.31)	4.09	20.22	-
Transfer from stage II	-	(202.59)	202.59	-
Transfer from stage III	-	-	-	-
Impact on ECL on account of movement between stages/ updates to ECL model	-	-	-	-
<b>ECL allowance on 31 March 2025</b>	<b>523.15</b>	<b>1,146.74</b>	<b>48.99</b>	<b>1,718.88</b>

Particulars	Loans			Total
	Stage I	Stage II	Stage III	
<b>ECL allowance on 1 April 2023</b>	327.94	30.55	574.58	933.07
New assets originated during the year, netted off for repayments and derecognised portfolio	(83.08)	242.11	1,003.80	1,162.83
Loans written off during the year	-	-	(337.74)	(337.74)
<b>Movement between stages:</b>				
Transfer from stage I	(6.36)	1.38	4.98	(0.00)
Transfer from stage II	-	(27.62)	27.62	-
Transfer from stage III	-	-	-	-
Impact on ECL on account of movement between stages/ updates to ECL model	-	-	-	-
<b>ECL allowance on 31 March 2024</b>	<b>238.50</b>	<b>246.42</b>	<b>1,273.24</b>	<b>1,758.16</b>

Refer Note 52 for disclosures related to credit risk, impairment of financial services receivables under expected credit loss model etc.

## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 10 (A) - Deferred tax assets (net)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
<b>Deferred tax assets</b>			
Provision for employee benefits	81.41	74.86	34.98
Impairment loss allowance	317.22	315.01	179.34
Carry forward losses	1,335.90	-	-
Right of use assets	7.12	4.95	0.12
Financial assets measured at amortised cost	244.25	294.08	177.07
Financial liabilities measured at amortised cost	31.79	33.73	29.01
Impact of ESOP charged at fair value	2.14	-	-
Others	56.05	4.97	-
<b>Deferred tax liabilities</b>			
Difference in written down value as per Companies act and Income Tax act	2.41	2.35	1.57
Impact of ESOP charged at fair value	-	2.19	2.53
Deferment of excess interest spread	12.55	83.13	124.16
Impact of interest income on stage 3 loans	19.97	20.41	6.84
Impact of OCRPS	2.94	-	-
	<b>2,038.01</b>	<b>619.52</b>	<b>285.42</b>

### (B) - (i) Income tax expense

Particulars	As at 31 March 2025	As at 31 March 2024
- Current tax	18.42	1,325.64
- Adjustments in respect of current income tax of previous year	(20.59)	(27.92)
- Deferred tax charge / (income)	(1,438.81)	(322.17)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(1,440.98)</b>	<b>975.55</b>

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

*The major components of tax expense and its reconciliation to expected tax expense based on the enacted tax rate applicable to the Company is 25.17% (March 31, 2023: 25.17%) and the reported tax expense in statement of profit and loss are as follows:*

### (B) - (ii) Income tax expense charged to OCI

Particulars	As at 31 March 2025	As at 31 March 2024
- Net (gain)/loss on remeasurements of defined benefit plans	17.36	(11.93)
<b>Income tax charged to OCI</b>	<b>17.36</b>	<b>(11.93)</b>

### C) Reconciliation of tax

Particulars	As at 31 March 2025	As at 31 March 2024
Profit before tax	(4,984.61)	4,038.61
Applicable tax rates in India	25.17%	25.17%
Computed tax charge	(1,254.53)	1,016.43
Non Deductible Expenses	127.58	430.21
Allowable Expenses	(287.06)	(180.98)
Others Adjustments	(9.61)	(302.04)
<b>Total income tax expense</b>	<b>(1,423.62)</b>	<b>963.62</b>

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### (D) Movement in Deferred tax assets (net)

Particulars	As at 1 April 2024	Recognised in statement of profit & loss Debit / (Credit)	Recognized in OCI	Recognised in equity	As at 31 March 2025
<b>Deferred tax assets</b>					
Provision for employee benefits	74.86	23.91	(17.36)	-	81.41
Impairment loss allowance	315.01	2.21	-	-	317.22
Carry forward losses	-	1,335.90	-	-	1,335.90
Right of use assets	4.95	2.17	-	-	7.12
Financial assets measured at amortised cost	294.08	(49.83)	-	-	244.25
Financial liabilities measured at amortised cost	33.73	(1.94)	-	-	31.79
Impact of ESOP charged at fair value	-	2.14	-	-	2.14
Others	4.97	51.08			56.05
<b>Deferred tax liabilities</b>					
Difference in written down value as per Companies act and Income Tax act	2.35	0.06	-	-	2.41
Impact of ESOP charged at fair value	2.19	(2.19)	-	-	-
Deferment of excess interest spread	83.13	(70.58)	-	-	12.55
Impact of interest income on stage 3 loans	20.41	(0.44)	-	-	19.97
Impact of OCRPS	-	(0.02)	-	2.96	2.94
<b>Total</b>	<b>619.52</b>	<b>1,438.81</b>	<b>(17.36)</b>	<b>(2.96)</b>	<b>2,038.01</b>

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at 1 April 2023	Recognised in statement of profit & loss Debit / (Credit)	Recognized in OCI	Recognised in equity	As at 31 March 2024
<b>Deferred tax assets</b>					
Provision for employee benefits	34.98	27.95	11.93	-	74.86
Disallowance under section 43B of the Income tax Act, 1961	-	-	-	-	-
Provision for loan portfolio	179.34	135.67	-	-	315.01
ROU and lease liability as per Ind AS 116	0.12	4.83	-	-	4.95
EIR impact on loan portfolio	177.07	117.01	-	-	294.08
EIR impact on borrowings & debt securities	29.01	4.72	-	-	33.73
Others	-	4.97	-	-	4.97
<b>Deferred tax liabilities</b>					
Difference in written down value as per Companies act and Income Tax act	1.57	0.78	-	-	2.35
Impact of ESOP charged at fair value	2.53	(0.34)	-	-	2.19
Deferment of excess interest spread	124.16	(41.03)	-	-	83.13
Impact of interest income on stage 3 loans	6.84	13.57	-	-	20.41
<b>Total</b>	<b>285.42</b>	<b>322.17</b>	<b>11.93</b>	<b>-</b>	<b>619.52</b>

## 11 - Other Financial Assets

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Security Deposits	65.44	40.21	30.32
Receivable from Insurance companies	158.19	189.79	108.78
Excess interest spread (EIS) receivable	-	328.84	595.43
Other Financial assets	635.88	60.51	49.81
<b>Total</b>	<b>859.51</b>	<b>619.35</b>	<b>784.34</b>

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 12 - Current Tax Assets (Net)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Advance income tax/TDS (net of provisions)	475.88	133.14	22.69
<b>Total</b>	<b>475.88</b>	<b>133.14</b>	<b>22.69</b>

### 13 - Other Non-Financial Assets

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Balance with government authorities	196.94	165.08	83.47
Prepaid expenses	47.24	55.09	42.46
<b>Total</b>	<b>244.18</b>	<b>220.17</b>	<b>125.93</b>

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 14 - Property, Plant And Equipment

Particulars	Furniture and fixture	Office equipment	Vehicle	Electrical Equipments	Computer Hardware	Total
<b>Gross Carrying Value as at 01 April, 2023</b>	<b>74.22</b>	<b>0.12</b>	<b>28.43</b>	<b>34.33</b>	<b>97.08</b>	<b>234.18</b>
Additions	38.98	9.13	41.07	22.90	75.90	187.98
Disposals	0.24	-	-	2.32	1.96	4.52
<b>As at 31 March, 2024</b>	<b>112.96</b>	<b>9.25</b>	<b>69.50</b>	<b>54.91</b>	<b>171.02</b>	<b>417.64</b>
Additions	68.39	5.41	-	17.91	111.55	203.26
Disposals	-	-	-	1.78	-	1.78
<b>As at 31 March, 2025</b>	<b>181.35</b>	<b>14.66</b>	<b>69.50</b>	<b>71.04</b>	<b>282.57</b>	<b>619.12</b>
<b>Accumulated Depreciation</b>						
<b>As at 01 April, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation for the year	10.16	0.40	8.58	11.82	56.44	87.40
Deductions/Adjustments during the period	0.17	-	-	1.51	0.63	2.31
<b>As at 31 March, 2024</b>	<b>9.99</b>	<b>0.40</b>	<b>8.58</b>	<b>10.31</b>	<b>55.81</b>	<b>85.09</b>
Depreciation for the year	15.35	2.59	10.76	12.31	72.81	113.82
Deductions/Adjustments during the period	-	-	-	1.28	-	1.28
<b>As at 31 March, 2025</b>	<b>25.34</b>	<b>2.99</b>	<b>19.34</b>	<b>21.34</b>	<b>128.62</b>	<b>197.63</b>

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Net Carrying value as at 31 March, 2025	156.01	11.67	50.16	49.70	153.95	421.49
Net Carrying value as at 31 March, 2024	102.97	8.85	60.92	44.60	115.21	332.55
Net Carrying value as at 01 April, 2023	74.22	0.12	28.43	34.33	97.08	234.18

**Note: 1. The Company has elected to continue with carrying value for all of its property, plant and equipment and intangible assets as recognized in its Indian GAAP financial statements, as its deemed cost as at the date of transition under Ind AS 101 "First-time adoption of Indian Accounting Standards", i.e. 1 April, 2023.**

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 15 - Right-of use asset

Particulars	Amount
<b>Right-of use assets</b>	
-Office Building	
<b>As at 01 April 2023</b>	<b>312.84</b>
Additions	44.78
Deletions	-
<b>As at 31 March 2024</b>	<b>357.62</b>
Additions	-
Deletions	-
<b>As at 31 March 2025</b>	<b>357.62</b>
<b>Accumulated depreciation</b>	
<b>As at 01 April 2023</b>	<b>-</b>
Charge for the year	102.75
Disposals	-
<b>As at 31 March 2024</b>	<b>102.75</b>
Charge for the year	107.48
Disposals	-
<b>As at 31 March 2025</b>	<b>210.23</b>
<b>Net Carrying value as at 31 March, 2025</b>	<b>147.39</b>
<b>Net Carrying value as at 31 March, 2024</b>	<b>254.87</b>
<b>Net Carrying value as at 01 April, 2023</b>	<b>312.84</b>

\*Refer note 47 for disclosure relating to leases

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 16 - Intangible Assets

Particulars	Computer Software	Total
<b>Gross Carrying Value (Deemed cost) - (Refer Note a)</b>		
<b>As at 01 April, 2023</b>	<b>5.85</b>	<b>5.85</b>
Additions	2.85	2.85
Disposals	-	-
<b>As at 31 March, 2024</b>	<b>8.70</b>	<b>8.70</b>
Additions	-	-
Disposals	-	-
<b>As at 31 March, 2025</b>	<b>8.70</b>	<b>8.70</b>
<b>Accumulated Depreciation</b>		
<b>As at 01 April, 2023</b>	<b>-</b>	<b>-</b>
Charge for the year	2.75	2.75
Deductions/Adjustments during the period	-	-
<b>As at 31 March, 2024</b>	<b>2.75</b>	<b>2.75</b>
Charge for the year	2.73	2.73
Deductions/Adjustments during the period	-	-
<b>As at 31 March, 2025</b>	<b>5.48</b>	<b>5.48</b>
<b>Net Carrying value as at 31 March, 2025</b>	<b>3.22</b>	<b>3.22</b>
<b>Net Carrying value as at 31 March, 2024</b>	<b>5.95</b>	<b>5.95</b>
<b>Net Carrying value as at 01 April, 2023</b>	<b>5.85</b>	<b>5.85</b>

**Note: a):-**

Ind AS 101 exemption : The Company has availed the exemption available under Ind AS 101, where the Company has used previous GAAP carrying value of intangible assets at the date of transition i.e. 01 April 2023 at its deemed cost at that date.

## Sindhuja Microcredit Private Limited

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### 17 - Intangible assets under development

Particulars	As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023
<b>Opening balance</b>	36.53	-	-
Addition during the year	50.40	36.53	-
<b>Closing balance</b>	<b>86.93</b>	<b>36.53</b>	-

#### As at 31st March 2025

Particulars	Amount of Intangible Assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	50.40	36.53	-	-	86.93
Project temporarily suspended	-	-	-	-	-
	<b>50.40</b>	<b>36.53</b>	<b>-</b>	<b>-</b>	<b>86.93</b>

#### As at 31st March 2024

Particulars	Amount of Intangible Assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	36.53	-	-	-	36.53
Project temporarily suspended	-	-	-	-	-
	<b>36.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36.53</b>

### 18 - Trade Payables

Particulars	As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023
Total outstanding dues of micro and small enterprises (MSME)	18.41	7.26	5.17
Total outstanding dues of creditors other than micro and small enterprises	114.67	50.58	23.93
<b>Total</b>	<b>133.08</b>	<b>57.84</b>	<b>29.10</b>

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 18 - (i) Ageing disclosure:

#### Trade payables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment As at 31 March 2025					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	18.41	-	-	-	-	18.41
Total outstanding dues of creditors other than micro enterprises and small enterprises	114.67	-	-	-	-	114.67
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises & small enterprises	-	-	-	-	-	-
	<b>133.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133.08</b>

Particulars	Outstanding for following periods from due date of payment As at 31 March 2024					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	7.26	-	-	-	-	7.26
Total outstanding dues of creditors other than micro enterprises and small enterprises	50.58	-	-	-	-	50.58
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises & small enterprises	-	-	-	-	-	-
	<b>57.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57.84</b>

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(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment As at 31 March 2023					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	5.17	-	-	-	5.17
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	23.93	-	-	-	23.93
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises & small enterprises	-	-	-	-	-	-
	-	29.10	-	-	-	29.10

### (ii) Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	18.41	7.26	5.17
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-	-
Interest paid to suppliers under MSMED Act (section 16)	-	-	-
Amount of interest paid along with the amounts of payment made beyond the appointed day	-	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-	-

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 19 - Debt Securities

Particulars	As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023
<b>Debt Securities measured at Amortised Cost</b>			
Non Convertible Debentures - Secured*	12,736.75	9,778.75	12,748.43
Non Convertible Debentures - Unsecured	798.09	600.00	-
Add: Interest accrued but not due on borrowings from NCD	38.12	54.24	177.55
External Commercial Borrowings - Secured*	6,077.78	1,788.00	-
Add: Interest accrued but not due on borrowings from ECB	162.94	68.44	-
<b>Total</b>	<b>19,813.68</b>	<b>12,289.43</b>	<b>12,925.98</b>
Debt securities in India	3,599.21	4,182.20	6,318.91
Debt securities outside India**	16,214.47	8,107.23	6,607.07
<b>Total</b>	<b>19,813.68</b>	<b>12,289.43</b>	<b>12,925.98</b>

Refer Note 38 and 39 for detailed terms & conditions of debt securities

\* NCD's and ECB's were secured by way of exclusive charge on the standard asset portfolio receivables pertaining to micro credit loans and cash collateral as per the respective agreements.

Includes amount guaranteed by two directors in their personal capacity of INR 7,216.67 Lakhs (March 31, 2024 : INR 4,200.00 Lakhs, March 31, 2023 : INR 5,200.00 Lakhs)

\*\* Includes Debt Securities having source of fund outside India amounting to INR 9,973.75 Lakhs (March 31, 2024 : INR 6,250.79 Lakhs, March 31, 2023 : INR 6,607.07 Lakhs) and Foreign currency liabilities amounting to INR 6,240.72 Lakhs (March 31, 2024 : INR 1,856.44 Lakhs, March 31, 2023 : NIL)

### 20 - Borrowing other than debt securities

Particulars	As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023
<b>Borrowing measured at amortised cost</b>			
(a) Term loans			
(i) From banks (secured)*	30,230.71	40,219.85	26,038.44
(ii) from financial institutions (secured)*	18,749.10	34,234.60	22,393.30
Add: Interest accrued but not due on borrowings from banks & financial institutions	131.23	227.26	181.62
Optionally Convertible Redeemable Preference Shares (OCRPS)	1.27	-	-
<b>Total</b>	<b>49,112.31</b>	<b>74,681.71</b>	<b>48,613.36</b>
Borrowing in India	49,112.31	74,681.71	48,613.36
Borrowing outside India	-	-	-
<b>Total</b>	<b>49,112.31</b>	<b>74,681.71</b>	<b>48,613.36</b>

## Sindhuja Microcredit Private Limited

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(All amounts in INR Lakhs, unless otherwise stated)

### Borrowing terms and conditions

\* Term loans were secured by way of exclusive charge on the standard asset portfolio receivables pertaining to micro credit loans and cash collateral as per the respective agreements.

Includes amount guaranteed by two directors in their personal capacity of INR 47,762.98 Lakhs (March 31, 2024 : INR 69,045.73 Lakhs, March 31, 2023: INR 42,733.23 Lakhs)

There were no delay in repayment of borrowings as at 31 March, 2025, 31 March, 2024 and 01 April, 2023.  
Refer Note 39 for detailed terms & conditions of borrowings.

### 21 - Lease Liability

Particulars	As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023
Lease liability	169.79	270.13	307.73
<b>Total</b>	<b>169.79</b>	<b>270.13</b>	<b>307.73</b>

Refer note 47 for disclosure relating to leases

### 22 - Other Financial Liabilities

Particulars	As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023
Employee related payable	348.31	495.83	228.33
Payable on assigned portfolio	160.23	999.40	604.67
Payable on business correspondence arrangement	3.06	153.75	271.60
Other payables	152.94	239.71	197.64
<b>Total</b>	<b>664.54</b>	<b>1,888.69</b>	<b>1,302.24</b>

### 23 - Provision

Particulars	As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023
Provision for gratuity (refer note 46)	138.40	142.55	65.33
Provision for compensated absences (refer note 46)	185.10	154.89	73.67
<b>Total</b>	<b>323.50</b>	<b>297.44</b>	<b>139.00</b>

### 24 - Other Non-financial Liabilities

Particulars	As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023
Statutory dues payable	262.35	257.40	153.24
<b>Total</b>	<b>262.35</b>	<b>257.40</b>	<b>153.24</b>

## Sindhuja Microcredit Private Limited

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(All amounts in INR Lakhs, unless otherwise stated)

### 25 - Equity Share Capital

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
<b>Authorized Share Capital</b>			
<b>Equity Share Capital</b> 18,600,000 Equity shares (31 March 2024 : 18,600,000, 01 April 2023 : 18,600,000) of ₹ 10 each	1,860.00	1,860.00	1,860.00
<b>Compulsory Convertible Preference shares (CCPS)</b> 31,750,000 Preference shares (31 March 2024 : 31,750,000, 01 April 2023 : 31,750,000) of ₹ 10 each	3,175.00	3,175.00	3,175.00
<b>Optionally Convertible Redeemable preference shares (OCRPs)</b> 12,95,724 Optionally Convertible Redeemable preference shares (31 March 2024: Nil, 01 April 2023: Nil) of ₹ 10 each	12.96	-	-
<b>Total</b>	<b>5,047.96</b>	<b>5,035.00</b>	<b>5,035.00</b>
<b>Issued, Subscribed and Paid-up</b>			
<b>Equity Share Capital</b> 16,675,923 Equity shares (31 March 2024 : 16,650,827, 01 April 2023 : 16,624,033) of ₹ 10 each fully paid up	1,667.59	1,665.08	1,662.40
<b>0.01% Compulsory Convertible Preference shares (CCPS)</b> 30,283,858 CCPS (31 March 2024 : 30,283,858, 01 April 2023 : 19,760,312 ) of ₹ 10 each fully paid up	3,028.39	3,028.39	1,976.03
<b>Total issued and subscribed share capital</b>	<b>4,695.98</b>	<b>4,693.47</b>	<b>3,638.43</b>

During the year ended 31 March 2025: Nil, (31 March 2024: 61,38,735) Compulsorily convertible preference shares of face value of ₹ 10 each were issued and allotted to Huruma Fund S.C.A., SICAR-EuSEF at the premium of Rs 104.03 and 31 March 2025: Nil, (31 March 2024: 43,84,811) compulsory convertible preference shares of face value of ₹ 10 each were issued and allotted to Oikocredit Ecumenical Development Cooperative Society U.A. at the premium of Rs 104.03

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(All amounts in INR Lakhs, unless otherwise stated)

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

Equity shares of ₹ 10 each

Particulars	As at 31st March, 2025		As at 31st March, 2024		As at 01 April, 2023	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	16,650,827	1,665.08	16,624,033	1,662.40	16,624,033	1,662.40
Add: Issued during the year (refer (i) below)	25,096	2.51	26,794	2.68	-	-
Add: Preference shares converted into equity shares	-	-	-	-	-	-
Less: Bought back during the year	-	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>16,675,923</b>	<b>1,667.59</b>	<b>16,650,827</b>	<b>1,665.08</b>	<b>16,624,033</b>	<b>1,662.40</b>

(i) During the year ended on 31 March 2025, 25,096 (31 March 2024: 26,794) Employee stock option Plan (ESOP) of face value of Rs 10 each were allotted to employees at a Premium of Rs 23.83 each.

### 25 - (b) Reconciliation of Compulsorily convertible preference shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March, 2025		As at 31st March, 2024		As at 01 April, 2023	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	30,283,858	3,028.39	19,760,312	1,976.03	19,760,312	1,976.03
Add: Issued during the year (refer (i) below)	-	-	10,523,546	1,052.36	-	-
Less: Preference shares converted into equity shares	-	-	-	-	-	-
Less: Bought back during the year	-	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>30,283,858</b>	<b>3,028.39</b>	<b>30,283,858</b>	<b>3,028.39</b>	<b>19,760,312</b>	<b>1,976.03</b>

(i) During the year ended 31 March 2025: Nil, (31 March 2024: 61,38,735) Compulsorily convertible preference shares of face value of ₹ 10 each were issued and allotted to Huruma Fund S.C.A., SICAR-EuSEF at the premium of Rs 104.03 and 31 March 2025: Nil, (31 March 2024: 43,84,811) compulsory convertible preference shares of face value of ₹ 10 each were issued and allotted to Oikocredit Ecumenical Development Cooperative Society U.A. at the premium of Rs 104.03.

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### 25 - (c) Reconciliation of Optionally Convertible Redeemable preference shares (OCRPs) outstanding at the beginning and at the end of the year

Particulars	As at 31st March, 2025		As at 31st March, 2024		As at 01 April, 2023	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	-	-	-	-	-	-
Add: Issued during the year (refer (i) below)	1,295,724	12.96	-	-	-	-
Less: Preference shares converted into equity shares	-	-	-	-	-	-
Less: Bought back during the year	-	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,295,724</b>	<b>12.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(i) During the year ended 31 March 2025, 6,47,862 optionally convertible redeemable preference shares of face value of ₹ 10 each partly paid up of Rs 1 were issued to, Mr. Abhisheka Kumar at the premium of Rs 81.20 and 6,47,862 optionally convertible redeemable preference shares of face value of ₹ 10 each partly paid up Rs 1 were issued to Mr Malkit Singh Didyala at the premium of Rs 81.20.

### 25 - (d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31st March, 2025		As at 31st March, 2024		As at 01 April, 2023	
	No. of shares	% of holding in the class	No. of shares	% of holding in the class	No. of shares	% of holding in the class
<b>Equity shares of Rs. 10 each fully paid</b>						
Mr. Abhisheka Kumar	3,072,600	18.43%	3,072,600	18.45%	3,072,600	18.48%
Carpediem Capital Partners Fund I	7,389,890	44.31%	7,389,890	44.38%	7,389,890	44.45%
Mr. Malkit Singh Didyala	2,420,000	14.51%	2,420,000	14.53%	2,420,000	14.56%
<b>Total</b>	<b>12,882,490</b>	<b>77.25%</b>	<b>12,882,490</b>	<b>77.36%</b>	<b>12,882,490</b>	<b>77.49%</b>

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### 25 - (e) Details of shareholders holding more than 5% compulsorily convertible preference shares in the Company

Name of Shareholder	As at 31st March, 2025		As at 31st March, 2024		As at 01 April, 2023	
	No. of shares	% of holding in the class	No. of shares	% of holding in the class	No. of shares	% of holding in the class
Carpediem Capital Partners Fund II	5,877,578	19.41%	5,877,578	19.41%	5,877,578	29.74%
NMI Fund IV KS	13,882,734	45.84%	13,882,734	45.84%	13,882,734	70.26%
Huruma Fund S.C.A., SICAR-EuSEF	6,138,735	20.27%	6,138,735	20.27%	-	-
Oikocredit Ecumenical Development Cooperative Society U.A.	4,384,811	14.48%	4,384,811	14.48%	-	-
<b>Total</b>	<b>30,283,858</b>	<b>100.00%</b>	<b>30,283,858</b>	<b>100.00%</b>	<b>19,760,312</b>	<b>100.00%</b>

### 25 - (f) Details of shareholdings of Promoters

Name of Shareholder	As at 31st March, 2025			As at 01 April, 2024		
	No. of shares	% of holding	% Change during the year	No. of shares	% of holding	% Change during the year
<b>Equity Shares</b>						
Mr. Abhisheka Kumar	3,072,600	18.43%	(0.02%)	3,072,600	18.45%	(0.03%)
Mr. Malkit Singh Didyala	2,420,000	14.51%	(0.02%)	2,420,000	14.53%	(0.03%)
	<b>5,492,600</b>	<b>32.94%</b>	<b>(0.04%)</b>	<b>5,492,600</b>	<b>32.98%</b>	<b>(0.06%)</b>

### (f-I) - Terms rights attached to equity shares

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

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors if any, is subject to the approval of shareholders in the ensuing Annual General Meeting.

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### **(f-ii) - Terms rights attached to Preference shares**

*The holders of the Preference shares shall be entitled to attend meetings of all Shareholders of the Company and will be entitled to such voting rights on an As If Converted Basis. Upon conversion of the preference shares into Equity Shares, such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.*

### **(f-iii) Terms of 0.01% compulsorily convertible preference shares**

*During the year ended 31 March 2024, 61,38,735 and 43,84,811 number of Compulsorily Convertible Preference Shares ("CCPS") of face value ₹ 10 each were allotted to Huruma Fund S.C.A., SICAR-EuSEF and Oikocredit Ecumenical Development Cooperative Society U.A. respectively at a price of ₹ 114.03 (including premium of ₹ 104.03) per share. These CCPS shall be converted into equity shares on or before nineteen years and eleven months from the date of issuance of "Series C" CCPS at a conversion price calculated based on a ratio of 1:1*

### **(f-iii) Terms of optionally convertible redeemable preference shares (OCRPs)**

*During the year ended 31 March 2025, Optionally Convertible Redeemable Preference Shares ("OCRPS") of face value INR 10 each were issued on a partly paid basis at a price of INR 91.20 (including a premium of INR 81.20) per share. The OCRPS shall be converted into equity shares upon being fully paid-up, at a conversion ratio as specified, through a written notice by the holders within 15 days of full payment. If not converted within 19 years and 11 months from the date of allotment, or upon an IPO or liquidation event, the OCRPS shall be mandatorily redeemed by the Company. Holders are entitled to a non-cumulative preferential dividend of 0.001% per annum on the face value, payable within 30 days of approval at the general meeting. During the year, the company have called Rs. 1 per Optionally Convertible Redeemable Preference Shares ("OCRPS")*

### **(f-iv) Terms of Employee Stock option plan**

*Under the employee Stock option Plan (ESOP) scheme, the total pool of options, which can be granted to eligible employees of the Company, not exceeding 425,082 (Four Lakh twenty-five thousand and eighty-two) equity shares (Number of employee Stock option Plan (ESOP) Options in aggregate). During the year ended 31 March 2025, the Company has granted Nil (31 March 2024, 64,000 options) to the eligible employees of the Company.*

### **(f-v) The Company, for the period of five years immediately preceding the balance sheet date, has not:**

- (i) allotted any fully paid up shares pursuant to contract(s) without payment being received in cash*
- (ii) allotted any fully paid up shares by way of bonus shares*

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### 26 - Other Equity

Particulars	As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023
<b>Securities Premium</b>			
Balance at the beginning of the year	20,192.90	9,615.88	9,615.88
Add: Securities premium on share options exercised during the year	10.77	9.77	-
Issue of compulsorily convertible preference shares	-	10,947.64	-
Less: Share issue expenses	(0.98)	(380.39)	-
<b>Balance at the end of the year (A)</b>	<b>20,202.69</b>	<b>20,192.90</b>	<b>9,615.88</b>
<b>Reserve fund [u/s 45(IC) of the Reserve Bank of India Act, 1934 ('RBI')]</b>			
Balance at the beginning of the year	1,146.79	534.18	534.18
Add: Amount transferred during the year	-	612.61	-
<b>Balance at the end of the year (B)</b>	<b>1,146.79</b>	<b>1,146.79</b>	<b>534.18</b>
<b>Retained earnings</b>			
Balance at the beginning of the year	3,887.73	1,435.10	1,864.29
Add : Profit/ (loss) for the year	(3,543.63)	3,063.06	-
Less: Amount transferred during the year to Reserve Fund [u/s 45(IC) of the RBI Act, 1934]	-	(612.61)	-
Add: Amount transferred from ESOP Reserve due to cancellation of ESOP after vesting (net of deferred tax)	4.16	2.18	-
First time Ind AS impact adjustment	-	-	(429.19)
<b>Balance at the end of the year (C)</b>	<b>348.26</b>	<b>3,887.73</b>	<b>1,435.10</b>
<b>Other Comprehensive Income</b>			
<b>Re-measurement gains / (losses) on defined benefit plans</b>			
Balance at the beginning of the year	(35.49)	-	-
Add: Other comprehensive income for the year	51.63	(35.49)	-
<b>Balance at the end of the year (D)</b>	<b>16.14</b>	<b>(35.49)</b>	<b>-</b>
<b>Share Based Payment Reserve</b>			
Balance at the beginning of the year	45.33	26.88	36.92
Add: Amount transferred during the year	17.24	24.01	-
Less: Amount transferred from ESOP Reserve due to cancellation of ESOP after vesting	(4.16)	(2.18)	-
Less : Transfer to securities premium on account of options exercised	(4.79)	(3.38)	(10.04)
<b>Balance at the end of the year (E)</b>	<b>53.62</b>	<b>45.33</b>	<b>26.88</b>

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 26 - Other Equity

Particulars	As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023
<b>Equity component of Optionally Convertible Redeemable Preference Shares (OCRPS)</b>			
Balance at the beginning of the year	-	-	-
Add: Issue during the year*	8.82	-	-
<b>Balance at the end of the year (F)</b>	<b>8.82</b>	<b>-</b>	<b>-</b>
<b>Total Other Equity (A+B+C+D+E+F)</b>	<b>21,776.32</b>	<b>25,237.26</b>	<b>11,612.04</b>

In terms of Section 45-IC of the RBI Act, 1934, the Company is required to transfer at least 20% of its net profits to a reserve before any dividend is declared. As at the year-end, the Company has transferred an amount of Nil (31 March 2024: 612.61 Lakhs)

\*The amount pertaining to Optionally Convertible Redeemable Preference Shares is net of deferred tax

#### Nature and purpose of other reserve :

##### (i) Statutory reserve

The said reserve has been created under section 45-IC of Reserve Bank of India Act, 1934. As per the said section, every Non-banking financial Company shall create a reserve fund and transfer a sum of not less than 20% of net profit every period before declaration of dividend.

##### (ii) Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

##### (iii) Retained Earnings

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to statutory reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

##### (iv) Employee stock option plan reserve

The said amount is used to recognise the grant date fair value of options issued to employees by the Company.

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

- actuarial gains and losses on defined benefit obligations
- the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

##### (v) Other Comprehensive Income -

The OCI arising from gratuity and leave encashment represents actuarial gains and losses on defined benefit obligations, recognized in the period in which they occur. These are not reclassified to profit or loss in subsequent periods, in line with Ind AS 19

##### (vi) Equity component of OCRPS (Net of deferred tax)

This represents the difference between the transaction value and the present value in case of interest free/ below Market rate borrowings -(i.e. Optionally convertible Redeemable Preference Shares (OCRPS))

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 27 - Interest Income

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
<b>On Financial Assets measured at Amortised cost</b>		
Interest income on loan portfolio	21,485.47	20,222.17
Interest on fixed deposits with banks	1,503.61	673.85
Income from unwinding of assigned portfolio	24.61	77.35
<b>Total</b>	<b>23,013.69</b>	<b>20,973.37</b>

### 28 - Fees and commission income

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Documentation charges	27.67	9.50
Service fee	108.78	-
Income from Business Correspondent operations	2,021.29	67.46
<b>Total</b>	<b>2,157.74</b>	<b>76.96</b>

Particulars	31 March, 2025	31 March, 2024
<b>Type of Services or service</b>		
Income from business correspondent operations	2,021.29	67.46
<b>Total revenue from contracts with customers</b>	<b>2,021.29</b>	<b>67.46</b>
<b>Geographical markets</b>		
India	2,021.29	67.46
Outside India	-	-
<b>Total revenue from contracts with customers</b>	<b>2,021.29</b>	<b>67.46</b>

Particulars	31 March, 2025	31 March, 2024
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	-	-
Services transferred over time	2,021.29	67.46
<b>Total revenue from contracts with customers</b>	<b>2,021.29</b>	<b>67.46</b>

Particulars	31 March, 2025	31 March, 2024
<b>Contract balances</b>		
Trade receivables	213.32	12.54
Contract assets	-	-
Contract liabilities	-	-

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	31 March, 2025	31 March, 2024
Revenue as per Contract	2,021.29	67.46
Adjustments	-	-
Discount	-	-
<b>Revenue from contract with customers</b>	<b>2,021.29</b>	<b>67.46</b>

### 29 - Net gain on fair value changes

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
<b>Net gain on fair value instruments at fair value through profit or loss</b>		
Gain on fair value of cross currency interest rate swap	95.15	-
Realised gain on sale of mutual fund investment	110.37	12.79
<b>Total</b>	<b>205.52</b>	<b>12.79</b>

### 30 - Net gain on derecognition of financial assets

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Gain on sale of loan portfolio through assignment	-	493.69
Gain on prepayment of loans assets	87.23	49.59
<b>Total</b>	<b>87.23</b>	<b>543.28</b>

### 31 - Other Income

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Interest on Income tax refund	5.38	-
Unwinding of security deposit	3.76	3.24
Amount written Back	163.79	-
Miscellaneous income	53.74	0.90
<b>Total</b>	<b>226.67</b>	<b>4.14</b>

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 32 - Finance Costs

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
<b>On Financial Liabilities measured at Amortised cost</b>		
- Interest on debt securities	1,350.72	1,626.97
- Interest on debt securities ECB	597.33	153.91
- Interest on liability component of OCRPS	0.10	-
- Interest on borrowings (other than debt securities)	7,630.16	7,401.79
<b>Other Interest exp</b>		
- Interest on Lease liabilities	27.96	37.93
-Fair value loss on derivative contract	-	23.02
Net (gain)/loss on foreign currency transaction and translation on external commercial borrowing	148.71	16.76
<b>Total</b>	<b>9,754.98</b>	<b>9,260.38</b>

### 33 - Impairment of financial instruments

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
<b>On financial assets measured at amortised cost</b>		
Impairment allowance on loans	(39.29)	825.09
Loans written off (Net of recovery)	10,797.75	352.78
Write off on account of first loss default guarantee (Net of recovery)	526.93	4.49
<b>Total</b>	<b>11,285.39</b>	<b>1,182.36</b>

### 34 - Employee Benefits Expenses

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Salaries, wages and bonus	6,686.93	5,184.14
Contribution to Provident and other funds	510.47	382.37
Share based compensation expense	17.24	24.01
Staff welfare expenses	118.64	55.09
<b>Total</b>	<b>7,333.28</b>	<b>5,645.61</b>

### 35 - Depreciation and amortisation expense

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Depreciation of tangible assets	113.82	87.40
Amortization of intangible assets	2.73	2.75
Depreciation on Right-of use assets	107.48	102.75
<b>Total</b>	<b>224.03</b>	<b>192.90</b>

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 36 - Other Expenses

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Advertisement and recruitment expenses	35.24	39.23
Communication expenses	106.60	68.86
Printing & stationery	108.24	77.17
Repairs & maintenance on building	172.00	122.65
Conveyance and travelling expenses	145.08	75.62
Legal & professional charges*	524.41	233.07
Rent	501.77	322.69
Rates & taxes	16.34	24.72
Software and technology expenses	203.02	181.96
Corporate social responsibilities	51.44	21.53
Other Bank charges	12.15	7.81
Directors sitting fees	13.90	17.17
Electricity expenses	58.92	38.90
Membership & Subscription	49.18	28.12
Miscellaneous expenses	79.49	31.18
<b>Total</b>	<b>2,077.78</b>	<b>1,290.68</b>
<b>*Includes payment to auditors</b>		
Audit fee	21.00	12.50
Out of Pocket Expenses #	2.73	1.35
<b>Total</b>	<b>23.73</b>	<b>13.85</b>

# includes payment made to previous auditor Rs 2.34 lakhs for the year ended 31 March 2025

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 37 - Related party transactions

In accordance with the requirements of Ind AS 24, 'Related Party Disclosures', the names of the related party where control exists/able to exercise significant influence along with the transactions and year-end balances with them as identified and certified by the management are given below:

#### a) Details of related parties:

Description of relationship	Names of related parties
<b>Key management personnel (KMP)*</b>	Mr. Abhisheka Kumar (Managing Director)
	Mr. Malkit Singh Didyala (C.E.O. and W.T.D.)
	Mr Yashvant Malhotra (Independent director)
	Mr Sandeep Phanasgaonkar (Independent Director)
	Mr Diwakar Pundir (Independent Director)
	Mr. Pankaj Kumar Sinha (Company Secretary)
<b>The Entities having significant influence in the company</b>	1-Carpediem Capital Partners through Carpediem Capital Partners Fund I and Carpediem Capital Partners Fund II
	2-NMI Fund IV KS
	3-Huruma Fund S.C.A., SICAR-EuSEF
	4-Oikocredit Ecumenical Development Cooperative Society U.A.

#### b) Statement of transactions and Outstanding balances with above related parties -

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
<b>Transaction during the year</b>		
<b>Issue of Compulsorily convertible preference shares</b>		
Huruma Fund S.C.A., SICAR-EuSEF	-	7,000.00
Oikocredit Ecumenical Development Cooperative Society U.A.	-	5,000.00
<b>Issue of Optionally convertible redeemable preference shares</b>		
Mr. Abhisheka Kumar	6.48	-
Mr. Malkit Singh Didyala	6.48	-

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
<b>Remuneration paid</b>		
Mr. Abhisheka Kumar	149.79	115.65
Mr. Malkit Singh Didyala	149.79	115.65
Mr. Pankaj Kumar Sinha	14.02	12.87
<b>Sitting fees paid</b>		
Mr Yashvant Malhotra	2.45	4.36
Mr Sandeep Phanasgaonkar	6.00	6.27
Mr Diwakar Pundir	5.45	6.54
<b>Reimbursement of expense</b>		
Mr. Abhisheka Kumar	4.83	3.21
Mr. Malkit Singh Didyala	4.95	0.40
<b>Contribution towards Provident fund and other funds</b>		
Mr. Abhisheka Kumar	6.90	6.74
Mr. Malkit Singh Didyala	6.90	6.74
Mr. Pankaj Kumar Sinha	0.22	0.48
<b>Post Employment Benefits</b>		
<b>Gratuity</b>		
Mr. Abhisheka Kumar	3.07	7.27
Mr. Malkit Singh Didyala	3.18	7.22
Mr. Pankaj Kumar Sinha	0.35	0.01
<b>Earned Leave</b>		
Mr. Abhisheka Kumar	1.64	7.60
Mr. Malkit Singh Didyala	1.54	7.67
Mr. Pankaj Kumar Sinha	0.23	0.73

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
<b>Personal guarantee given by Directors against borrowings</b>		
Mr. Abhisheka Kumar	-	4,774.45
Mr Abhisheka Kumar and Mr Malkit Singh Didyala (Jointly)	26,939.46	52,928.29
<b>Personal guarantee withdrawn by Directors against borrowings</b>		
Mr. Abhisheka Kumar	3,170.68	1,309.80
Mr Abhisheka Kumar and Mr Malkit Singh Didyala (Jointly)	42,034.86	31,080.44

Particulars	As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023
<b>Outstanding balances as at the year ended</b>			
<b>Post Employment Benefits</b>			
<b>Gratuity</b>			
Mr. Abhisheka Kumar	17.79	14.72	7.44
Mr. Malkit Singh Didyala	17.77	14.59	7.37
Mr. Pankaj Kumar Sinha	1.42	1.07	1.06
<b>Earned Leave</b>			
Mr. Abhisheka Kumar	14.69	13.05	5.46
Mr. Malkit Singh Didyala	14.71	13.17	5.50
Mr. Pankaj Kumar Sinha	0.97	0.73	-
<b>Compulsorily convertible preference shares</b>			
NMI Fund IV KS	2,400.00	2,400.00	2,400.00
Carpediem Capital Partners Fund II	800.00	800.00	800.00
Huruma Fund S.C.A., SICAR-EuSEF	7,000.00	7,000.00	-
Oikocredit Ecumenical Development Cooperative Society U.A.	5,000.00	5,000.00	-

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023
<b>Optionally convertible redeemable preference shares</b>			
Mr. Abhisheka Kumar	6.48	-	-
Mr. Malkit Singh Didyala	6.48	-	-
<b>Personal guarantee given by Directors against borrowings</b>			
Mr. Abhisheka Kumar	2,064.12	5,234.80	1,770.15
Mr Abhisheka Kumar and Mr Malkit Singh Didyala (Jointly)	52,915.53	68,010.93	46,163.08

*\*Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company and its employees. The Company considers the members of the Board of Directors which include independent directors and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.*

### **Terms and conditions with related parties**

*All transactions with related parties are made on the terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business.*

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 38 - Terms and Condition of Repayment of Debt Securities

Terms of Non-convertible debentures	Number of debentures			Face value	Amount		
	As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023		As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023
<b>Non Convertible Debentures (Unsecured)</b>							
Allotment Date: June 14, 2023; Redeemable at par on June 12, 2025; Interest Rate: 12% p.a., paid monthly	10,000.00	10,000.00	-	10,000.00	100.00	100.00	-
Allotment Date: June 14, 2023; Redeemable at par on June 12, 2025; Interest Rate: 12% p.a., paid monthly	10,000.00	10,000.00	-	10,000.00	100.00	100.00	-
Allotment Date: August 05, 2023; Redeemable at par on August 04, 2025; Interest Rate: 12% p.a., paid monthly	10,000.00	10,000.00	-	10,000.00	100.00	100.00	-
Allotment Date: August 05, 2023; Redeemable at par on August 04, 2025; Interest Rate: 12% p.a., paid monthly	20,000.00	20,000.00	-	10,000.00	200.00	200.00	-
Allotment Date: October 16, 2023; Redeemable at par on October 11, 2025; Interest Rate: 12% p.a., paid monthly	10,000.00	10,000.00	-	10,000.00	100.00	100.00	-
Allotment Date: January 02, 2025; Redeemable at par on January 01, 2027; Interest Rate: 12% p.a., paid monthly	10,000.00	-	-		198.09	-	-
<b>Total Unsecured NCD (A)</b>	<b>80,000.00</b>	<b>60,000.00</b>	<b>-</b>		<b>798.09</b>	<b>600.00</b>	<b>-</b>
13.00 % Secured Rated Non Convertible Debenture allotted on March 08, 2022, redeemable at par starting from July 25, 2023. (Secured by way of hypothecation of Book Debts maintained at all times at 110% of the value of the outstanding principal )	-	-	200.00	1,000,000.00	-	-	1,000.00
14.54 % Secured Rated Non Convertible Debenture allotted on March 31, 2021, redeemable at par on March 06, 2024. (Secured by way of hypothecation of Book Debts maintained at all times at 110% of the value of the outstanding principal.)	-	-	100.00	1,000,000.00	-	-	998.25

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Terms of Non-convertible debentures	Number of debentures			Face value	Amount		
	As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023		As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023
12.85% Secured Rated Non Convertible Debenture allotted on March 15, 2022 redeemable at par on March 15, 2024. (Secured by way of hypothecation of Book Debts maintained at all times at 110% of the value of the outstanding principal )	-	-	300.00	1,000,000.00	-	-	2,989.95
13.55% Secured Rated Non Convertible Debenture allotted on August 05, 2022 redeemable at par starting from April 07, 2024. (Secured by way of hypothecation of Book Debts maintained at all times at 110% of the value of the outstanding principal)	-	150.00	-	1,000,000.00	-	748.39	-
13.55% Secured Rated Non Convertible Debenture allotted on August 05, 2022, redeemable at par starting from April 07, 2024. (Secured by way of hypothecation of Book Debts maintained at all times at 110% of the value of the outstanding principal)	-	70.00	220.00	1,000,000.00	-	349.19	2,190.10
12.30% Secured Rated Non Convertible Debenture allotted on March 28, 2025, redeemable at par starting from October 23, 2025. (Secured by way of hypothecation of Book Debts maintained at all times at 110% of the value of the outstanding principal plus accrued interest obligations)	4,000.00	-	-	100,000.00	3,927.93	-	-
12.94% Secured Unrated Non Convertible Debenture allotted on December 28, 2023 redeemable at par starting from December 15, 2025. (Secured by way of hypothecation of Book Debts maintained at all times at 100% of the value of the outstanding principal plus accrued interest obligations)	638.00	638.00	-	100,000.00	425.33	638.00	-

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Terms of Non-convertible debentures	Number of debentures			Face value	Amount		
	As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023		As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023
12.94% Secured Unrated Non Convertible Debenture allotted on December 28, 2023, redeemable at par starting from December 15, 2025. (Secured by way of hypothecation of Book Debts maintained at all times at 100% of the value of the outstanding principal plus accrued interest obligations)	2,462.00	2,462.00	-	100,000.00	1,641.33	2,462.00	-
12.80% Secured Unrated Non Convertible Debenture allotted on December 16, 2022, redeemable at par on December 16, 2025. (Secured by way of hypothecation of Book Debts maintained at all times at 100% of the value of the outstanding principal plus accrued interest obligations)	320.00	320.00	320.00	1,000,000.00	3,195.52	3,189.24	3,182.93
12.80% Secured Unrated Non Convertible Debenture allotted on December 16, 2022, redeemable at par on December 16, 2025. (Secured by way of hypothecation of Book Debts maintained at all times at 100% of the value of the outstanding principal plus accrued interest obligations)	240.00	240.00	240.00	1,000,000.00	2,396.64	2,391.93	2,387.20
13.00% Secured Rated Non Convertible Debenture allotted on June 28, 2024, redeemable at par, 30% on December 25, 2025 and 70% on December 18, 2026. (Secured by way of hypothecation of Book Debts maintained at all times at 110% of the value of the outstanding principal plus accrued interest obligations)	1,150.00	-	-	100,000.00	1,150.00	-	-
<b>Total Secured NCD (B)</b>	<b>8,810.00</b>	<b>3,880.00</b>	<b>1,380.00</b>		<b>12,736.75</b>	<b>9,778.75</b>	<b>12,748.43</b>
<b>Total (A+B)</b>	<b>88,810.00</b>	<b>63,880.00</b>	<b>1,380.00</b>		<b>13,534.84</b>	<b>10,378.75</b>	<b>12,748.43</b>

## Sindhuja Microcredit Private Limited

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(All amounts in INR Lakhs, unless otherwise stated)

Terms of External Commercial Borrowing (ECB)	Amount		
	As at 31 March, 2025	As at 31 March, 2024	As at 01 April, 2023
11.43%, 2 million Euro ECB allotted on June 30, 2023, redeemable on June 30, 2026. (Secured by way of hypothecation of Book Debts maintained at all times at 110% of the value of the outstanding amount plus accrued interest obligations).	1,837.41	1,788.00	-
11.28%, 5 million USD ECB allotted on June 28, 2024 and redeemable on yearly payment 25% each on 03rd July 26 and 03rd July 27 and remaining 50% on 03rd July 2028 (Secured by way of hypothecation of Book Debts maintained at all times at 110% of the value of the outstanding principal plus accrued interest obligations)	4,240.37	-	-
<b>Total</b>	<b>6,077.78</b>	<b>1,788.00</b>	<b>-</b>

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 39 - Terms of Repayment of Debt Securities/Borrowings/ECB

#### 39.1 - Terms of Repayment of Debt Securities/Borrowings/ECB as on March 31, 2025

Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due between 3-4 years		Total
			No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
<b>Borrowings (Other than Debt Securities)</b>											
<b>From Bank (Term Loan)</b>											
Monthly	1-3 years	10.5% - 11%	44	3,000.00	7	348.82	-	-	-	-	3,348.82
		11% - 11.5%	93	5,502.38	26	1,512.88	4	277.78	-	-	7,293.03
		11.5% - 12%	58	3,675.60	20	1,103.87	-	-	-	-	4,779.47
		12% - 12.5%	97	7,772.55	36	3,568.45	-	-	-	-	11,341.00
		12.5% - 13%	22	2,552.08	12	531.26	-	-	-	-	3,083.33
Quarterly	1-3 years	12.5% - 13%	8	500.00	1	25.00	-	-	-	-	525.00
<b>From Financial Institutions (Term Loan)</b>											
Monthly	1-3 years	11% - 11.5%	24	1,191.12	14	615.28	-	-	-	-	1,806.40
		11.5% - 12%	35	1,963.50	7	450.00	-	-	-	-	2,413.50
		12% - 12.5%	49	3,044.72	14	1,064.17	3	240.00	-	-	4,348.89
		12.5% - 13%	133	6,003.52	18	1,751.55	-	-	-	-	7,755.07
		13% - 13.5%	28	1,855.84	-	-	-	-	-	-	1,855.84
Quarterly	1-3 years	12% - 12.5%	2	642.39	-	-	-	-	-	-	642.39
<b>Debt Securities</b>											
<b>Non Convertible Debentures (Secured)</b>											
Yearly	1-3 years	12.5% - 13%	2	1,033.33	2	1,033.33	-	-	-	-	2,066.67
		13% - 13.5%	1	345.00	1	805.00	-	-	-	-	1,150.00
Quarterly	above 3 years	12% - 12.5%	2	727.27	4	1,454.55	4	1,454.55	1	363.64	4,000.00
Bullet	1-3 years	12.5% - 13%	2	5,600.00	-	-	-	-	-	-	5,600.00

## Sindhuja Microcredit Private Limited

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(All amounts in INR Lakhs, unless otherwise stated)

Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due between 3-4 years		Total
			No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
<b>Non Convertible Debentures (Unsecured)</b>											
Bullet	1-3 years	12% - 12.5%	5	600.00	1	200.00	-	-	-	-	800.00
<b>External Commercial Borrowings</b>											
Yearly	above 3 years	11% - 11.5%	-	-	1	1,043.13	1	1,043.13	1	2,086.25	4,172.50
Bullet	1-3 years	11% - 11.5%	-	-	1	1,787.60	-	-	-	-	1,787.60
<b>Total</b>			<b>605.00</b>	<b>46,009.30</b>	<b>165.00</b>	<b>17,294.88</b>	<b>12.00</b>	<b>3,015.45</b>	<b>2.00</b>	<b>2,449.89</b>	<b>68,769.57</b>
Impact of EIR on Borrowings (Other than Debt Securities)											(212.93)
Impact of EIR on Debt Securities											(81.82)
Impact of EIR on External Commercial Borrowings											(47.78)
Impact of Accrued Interest											332.29
Impact of Foreign Exchange Fluctuations on ECBs											165.46
Impact of Liability component of Optionally Convertible Redeemable Preference Shares (OCRPS)											1.27
<b>Grand Total</b>											<b>68,925.99</b>

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### Terms of Repayment of Debt Securities/Borrowings/ECB as on March 31, 2024

Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due between 3-4 years		Total
			No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
<b>Borrowings (Other than Debt Securities)</b>											
<b>From Bank (Term Loan)</b>											
Monthly	1-3 years	10%-10.5%	9	272.73	-	-	-	-	-	-	272.73
		10.5%-11%	23	1,256.89	-	-	-	-	-	-	1,256.89
		11% - 11.5%	119	7,762.09	65	4,727.38	8	387.24	-	-	12,876.71
		11.5% - 12%	104	6,378.85	63	4,165.00	15	895.71	-	-	11,439.56
		12% - 12.5%	24	3,084.72	10	2,083.33	-	-	-	-	5,168.05
		12.5% - 13%	67	4,119.86	36	1,749.65	-	-	-	-	5,869.51
		13% - 13.5%	9	475.94	-	-	-	-	-	-	475.94
Quarterly	1-3 years	14% - 14.5%	11	857.15	-	-	-	-	-	-	857.15
		12.5% - 13%	7	475.00	8	500.00	1	25.00	-	-	1,000.00
		13% - 13.5%	4	1,250.00	-	-	-	-	-	-	1,250.00
<b>From Financial Institutions (Term Loan)</b>											
Monthly	1-3 years	10.5%-11%	22	1,126.60	24	1,191.12	14	615.28	-	-	2,933.00
		11% - 11.5%	12	402.00	11	363.50	-	-	-	-	765.50
		12% - 12.5%	55	2,826.05	39	2,244.72	2	104.17	-	-	5,174.94
		12.5% - 13%	192	9,510.17	124	5,219.81	-	-	-	-	14,729.98
		13% - 13.5%	63	4,600.58	26	1,518.58	6	416.50	-	-	6,535.67
		13.5% - 14%	116	2,104.16	-	-	-	-	-	-	2,104.16
Quarterly	1-3 years	14% - 14.5%	12	627.37	-	-	-	-	-	-	627.37
		12% - 12.5%	5	857.14	3	642.82	-	-	-	-	1,499.96

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due between 3-4 years		Total
			No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
<b>Debt Securities</b>											
<b>Non Convertible Debentures (Secured)</b>											
Monthly	1-3 years	13.5% - 14%	24	1,100.00	-	-	-	-	-	-	1,100.00
Yearly	1-3 years	12.5% - 13%	2	1,033.33	2	1,033.33	2	1,033.33	-	-	3,100.00
Bullet	1-3 years	12.5% - 13%	-	-	2	5,600.00	-	-	-	-	5,600.00
<b>Non Convertible Debentures (Unsecured)</b>											
Bullet	1-3 years	12% - 12.5%	-	-	5	600.00	-	-	-	-	600.00
<b>External Commercial Borrowings</b>											
Bullet	1-3 years	11% - 11.5%	-	-	-	-	1	1,787.60	-	-	1,787.60
<b>Total</b>			<b>50,120.64</b>		<b>31,639.23</b>		<b>5,264.84</b>				<b>87,024.72</b>
Impact of EIR on Borrowings (Other than Debt Securities)											(382.67)
Impact of EIR on Debt Securities											(21.25)
Impact of EIR on External Commercial Borrowings											(16.36)
Impact of Accrued Interest											349.94
Impact of Foreign Exchange Fluctuations on ECBs											16.76
<b>Grand Total</b>											<b>86,971.14</b>

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 39 - Terms of Repayment of Debt Securities/Borrowings/ECB (Continued)

#### Terms of Repayment of Debt Securities/Borrowings/ECB as on April 01, 2023

Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due between 3-4 years		Total
			No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
<b>Borrowings (Other than Debt Securities)</b>											
<b>From Bank (Term Loan)</b>											
Monthly	1-3 years	9.5%-10%	48	2,888.92	23	1,281.96	-	-	-	-	4,170.88
		10%-10.5%	30	1,181.80	9	272.77	-	-	-	-	1,454.57
		10.5%-11%	21	1,159.09	-	-	-	-	-	-	1,159.09
		11% - 11.5%	34	1,840.85	29	1,685.66	-	-	-	-	3,526.52
		11.5% - 12%	36	1,548.00	21	906.54	-	-	-	-	2,454.55
		12% - 12.5%	24	1,323.55	10	509.58	-	-	-	-	1,833.13
		12.5% - 13%	34	1,989.21	22	1,629.13	-	-	-	-	3,618.34
		13% - 13.5%	12	731.55	8	543.63	-	-	-	-	1,275.18
		13.5% - 14%	36	2,293.07	5	595.24	-	-	-	-	2,888.30
		14% - 14.5%	28	716.96	6	268.33	-	-	-	-	985.29
		14.5% - 15%	6	333.34	-	-	-	-	-	-	333.34
Quarterly	1-3 years	12.5% - 13%	4	1,250.00	4	1,250.00	-	-	-	-	2,500.00
<b>From Financial Institutions (Term Loan)</b>											
Monthly	1-3 years	11% - 11.5%	7	234.50	12	402.00	11	363.50	-	-	1,000.00
		12% - 12.5%	42	2,042.87	23	1,019.56	-	-	-	-	3,062.43
		12.5% - 13%	48	3,985.08	28	2,468.08	2	185.19	-	-	6,638.35
		13% - 13.5%	48	2,974.71	30	2,155.10	-	-	-	-	5,129.81
		13.5% - 14%	212	3,213.57	110	1,533.86	-	-	-	-	4,747.43
		14% - 14.5%	15	958.33	-	-	-	-	-	-	958.33
		14.5% - 15%	22	981.68	-	-	-	-	-	-	981.68
		15% - 15.5%	1	0.24	-	-	-	-	-	-	0.24

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 years		Due between 2-3 years		Due between 3-4 years		Total
			No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
<b>Debt Securities</b>											
<b>Non Convertible Debentures (Secured)</b>											
Bullet	1-3 years	12.5% - 13%	1	3,000.00	-	-	2	5,600	-	-	8,600.00
Half Yearly	1-3 years	13% - 13.5%	2	1,000.00	-	-	-	-	-	-	1,000.00
Monthly	1-3 years	13% - 13.5%	12	1,100.00	12	1,100	-	-	-	-	2,200.00
Yearly	1-3 years	14.5% - 15%	1	1,000.00	-	-	-	-	-	-	1,000.00
<b>Total</b>		-	<b>724</b>	<b>37,747.33</b>	<b>352.00</b>	<b>17,621.45</b>	<b>15.00</b>	<b>6,148.69</b>	-	-	<b>61,517.46</b>
Impact of EIR on Borrowings (Other than Debt Securities)											(285.72)
Impact of EIR on Debt Securities											(51.57)
Accrued Interest											359.17
<b>Grand Total</b>											<b>61,539.34</b>

### 39.2 - Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Debt securities	Borrowings (other than debt)	Total
<b>April 01, 2023</b>	12,925.98	48,613.36	61,539.34
<b>Cash flows:</b>			
-Repayment	(6,100.00)	(40,295.35)	(46,395.35)
-Proceeds other than overdraft facility	5,487.60	66,415.01	71,902.61
<b>Non-cash:</b>			
-Addition during the year	122.68	227.26	349.94
- Reversal during the year	(177.55)	(181.62)	(359.17)
-Foreign exchange	16.76	-	16.76
-Deferment of upfront processing fee	(37.61)	(382.67)	(420.28)
-Reversal of deferment of upfront processing fee upto 31 March, 2023	51.57	285.72	337.29
-Others	-	-	-

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Debt securities	Borrowings (other than debt)	Total
<b>March 31, 2024</b>	<b>12,289.43</b>	<b>74,681.71</b>	<b>86,971.14</b>
<b>Cash flows:</b>			
-Repayment	(2,133.33)	(53,844.37)	(55,977.70)
-Proceeds other than overdraft facility	9,522.48	28,199.99	37,722.47
<b>Non-cash:</b>			
-Addition during the year	201.06	131.23	332.29
- Reversal during the year	(122.68)	(227.26)	(349.94)
-Foreign exchange	148.71	-	148.71
-Deferment of upfront processing fee	(129.60)	(212.93)	(342.53)
-Reversal of deferment of upfront processing fee upto 31 March, 2024	37.61	382.67	420.28
-Others	-	1.27	1.27
<b>March 31, 2025</b>	<b>19,813.68</b>	<b>49,112.31</b>	<b>68,925.99</b>

## 40 - Ratings assigned by credit rating agencies

Particulars	As at 31 March, 2025	As at 31 March, 2024
(a) Micro Finance Institution Grading	CARE MFI 1	CARE M2+
(b) Non-Convertible Debenture	"IND BBB"/ POSITIVE	"IND BBB"/ STABLE
(c) Long Term Bank Loans	"IND BBB"/ POSITIVE and "CRISIL BBB"/STABLE	"IND BBB"/ STABLE and "CRISIL BBB"/ STABLE

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 41 - Employee Share Based Payments

Pursuant to a resolution passed by the members holding equity shares vide Extra Ordinary General Meeting held on 30 October 2019, the Company introduced the Employee Stock Option Plan ("Employee Stock Option Plan (ESOP)") pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 read with the Guidance note on Accounting for Share-based payments. Under this scheme, the total pool of options, which can be granted to eligible employees of the Company, not exceeding 425,082 (Four Lakh twenty-five thousand and eighty-two) equity shares (Number of Employee Stock Option Plan (ESOP) Options in aggregate). During the year ended 31 March 2024, the Company granted 64,000 number of options (Previous year 96,968) to the eligible employees of the Company.

There shall be a minimum period of one year between the grant of options and vesting of option. The vesting requirement of the options is to remain in the employment with the Company till the vesting period. These options shall vest on graded basis as follows, provided that the grant date may be different for different category of employees. The options are equity settled.

The vesting requirement details is as below :

Time period	Percentage	Vesting condition
On completion of one year	25%	Service
On completion of two years	25%	Service
On completion of three years	25%	Service
On completion of four years	25%	Service

**A - Employee stock option schemes:** Details of grant and exercise of such options are as follows:

SMPL Employee Stock Option Plan (ESOP)- 2019					
Type of arrangement	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
Date of grant of options	5-Nov-19	10-Nov-20	25-Nov-21	12-Nov-22	20-Nov-23
Number of options granted	82,917	140,934	90,000	96,968	64,000
Number of employees to whom such options were granted	19	45	25	23	17
Date of Board approval	30-Sep-19	10-Nov-20	25-Jun-21	28-Mar-22	20-Nov-23
Vesting period	5-Nov-20	10-Nov-21	25-Nov-22	12-Nov-23	20-Nov-24

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Type of arrangement	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
Exercise period	5 November 2020 to 4 November 2024	10 November 2021 to 10 November 2025	25 November 2022 to 24 November 2026	12 November 2023 to 12 November 2027	20 November 2024 to 20 November 2028
Exercise Price	33.83	33.83	33.83	33.83	33.83
Option Life	4 years	4 years	4 years	4 years	4 years
Fair Value of the option	8.45	14.70	14.69	55.56	87.63
Risk free interest rate	7.16%	6.92%	6.73%	6.54%	6.64%

### Movement during the year

The number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Particulars	Year ended 31 March 2025		Year ended 31 March 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	2.65	33.83	2.92	33.83
Granted during the year	-		0.64	33.83
Forfeited during the year	0.51	33.83	0.64	33.83
Exercised during the year	0.25	33.83	0.27	33.83
Expired during the year	-		-	
Lapsed during the year	-		-	
<b>Outstanding at the end of the year</b>	<b>1.89</b>	33.83	<b>2.65</b>	33.83

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### B - Summary of share based payments For the year ended 31 March, 2025

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Total
Outstanding at the beginning of the year	0.19	0.45	0.61	0.79	0.60	2.64
Options granted during the year	-	-	-	-	-	-
Options forfeited during the year	0.09	0.10	0.12	0.11	0.09	0.51
Options exercised during the year	0.04	0.09	0.09	0.03	-	0.25
Options expired during the year	-	-	-	-	-	-
Options lapsed during the year	-	-	-	-	-	-
<b>Options outstanding at the end of the period</b>	<b>0.06</b>	<b>0.26</b>	<b>0.40</b>	<b>0.65</b>	<b>0.51</b>	<b>1.88</b>
<b>For share options exercised:</b>						
Weighted average exercise price at date of exercise	33.83	33.83	33.83	33.83	33.83	
Money realized by exercise of options	1.35	3.02	3.00	1.12	-	8.49
<b>For share options outstanding:</b>						
Exercise prices	33.83	33.83	33.83	33.83	33.83	
Average remaining contractual life of options (years)	-	0.61	1.65	2.62	3.64	

### For the year ended 31 March, 2024

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Total
Outstanding at the beginning of the year	0.41	0.76	0.82	0.93	-	2.92
Options granted during the year	-	-	-	-	0.64	0.64
Options forfeited during the year	0.13	0.18	0.15	0.14	0.04	0.64
Options exercised during the year	0.09	0.12	0.06	-	-	0.27
Options expired during the year	-	-	-	-	-	-
Options lapsed during the year	-	-	-	-	-	-
<b>Options outstanding at the end of the period</b>	<b>0.19</b>	<b>0.46</b>	<b>0.61</b>	<b>0.79</b>	<b>0.60</b>	<b>2.65</b>

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Total
<b>For share options exercised:</b>	33.83	33.83	33.83	33.83	33.83	
Weighted average exercise price at date of exercise	3.00	3.95	2.11	-	-	9.06
Money realized by exercise of options						
<b>For share options outstanding:</b>	33.83	33.83	33.83	33.83	33.83	
Exercise prices	-	1.61	2.65	3.62	4.64	
Average remaining contractual life of options (years)						

### For the year ended 01 April , 2023

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Total
Outstanding at the beginning of the year	0.41	0.76	0.83	0.93	2.93
Options granted during the year	-	-	-	-	-
Options forfeited during the year	-	-	-	-	-
Options exercised during the year	-	-	-	-	-
Options expired during the year	-	-	-	-	-
Options lapsed during the year	-	-	-	-	-
<b>Options outstanding at the end of the period</b>	<b>0.41</b>	<b>0.76</b>	<b>0.83</b>	<b>0.93</b>	<b>2.93</b>
<b>For share options exercised:</b>					
Weighted average exercise price at date of exercise	33.83	33.83	33.83	33.83	
Money realized by exercise of options	-	-	-	-	-
<b>For share options outstanding:</b>					
Exercise prices	33.83	33.83	33.83	33.83	
Average remaining contractual life of options (years)	-	2.61	3.65	4.62	

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

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### c - Valuation of stock options

The fair value of the equity-settled options is estimated on the date of grant using Black-Scholes options pricing model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for equity-settled options:

#### For the year ended 31 March, 2025

Valuation of Stock options granted	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
Grant Date	5-Nov-19	10-Nov-20	25-Nov-21	12-Nov-22	20-Nov-23
Number of options granted	82,917	140,934	90,000	96,968	64,000
Vesting Dates	5-Nov-20	10-Nov-21	25-Nov-22	12-Nov-23	20-Nov-24
Fair value of option	8.45	14.70	14.69	55.56	87.63
Exercise Price	33.83	33.83	33.83	33.83	33.83
Expected volatility	12.68%	19.64%	20.67%	21.75%	21.10%
Basis of determination of expected volatility:					
Contractual Option Life (years) (till exercise period)	4 years	4 years	4 years	4 years	4 years
Risk free interest rate	7.16%	6.92%	6.73%	6.54%	6.64%
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model

#### For the year ended 31 March, 2024

Valuation of Stock options granted	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
Grant Date	5-Nov-19	10-Nov-20	25-Nov-21	12-Nov-22	20-Nov-23
Number of options granted	82,917	140,934	90,000	96,968	64,000
Vesting Dates	5-Nov-20	10-Nov-21	25-Nov-22	12-Nov-23	20-Nov-24
Fair value of option	8.45	14.70	14.69	55.56	87.63
Exercise Price	33.83	33.83	33.83	33.83	33.83
Expected volatility	12.68%	19.64%	20.67%	21.75%	21.10%

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Valuation of Stock options granted	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V
Basis of determination of expected volatility:					
Contractual Option Life (years) (till exercise period)	4 years	4 years	4 years	4 years	4 years
Risk free interest rate	7.16%	6.92%	6.73%	6.54%	6.64%
Expected dividend rate					
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model

### For the year ended 01 April, 2023

Valuation of Stock options granted	Tranche I	Tranche II	Tranche III	Tranche IV
Grant Date	5-Nov-19	10-Nov-20	25-Nov-21	12-Nov-22
Number of options granted	82,917	140,934	90,000	96,968
Vesting Dates	5-Nov-20	10-Nov-21	25-Nov-22	12-Nov-23
Fair value of option	8.45	14.70	14.69	55.56
Exercise Price	33.83	33.83	33.83	33.83
Expected volatility	12.68%	19.64%	20.67%	21.75%
Basis of determination of expected volatility:				
Contractual Option Life (years) (till exercise period)	4 years	4 years	4 years	4 years
Risk free interest rate	7.16%	6.92%	6.73%	6.54%
Expected dividend rate				
Model used	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model	Black-Scholes Model

The expected volatility was determined based on historical volatility data and the company expects the volatility of its share price may not differ from historical volatility. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time.

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### 42 - Corporate Social Responsibility

Particulars	31 March 2025	31 March 2024
a) Gross amount required to be spent by the Company during the year	51.44	21.53
b) Amount spent during the year on	51.50	21.75
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	51.50	21.75
c) Shortfall/(Excess) at the end of the year (a-b)	(0.06)	(0.22)
Reason for shortfall of CSR expenditure if any	NA	NA
d) Nature of CSR activities	Rural Healthcare Program, Paediatric heart surgeries, Support for poor hearing-impaired Children and adults, Revamping under-privileged students' toilet blocks and benches for educational purposes at Balak Vrinda Education Society school, Anup Sridhar Badminton Academy	Paediatric heart surgeries, Rural Eye Health Program, Nutrition for children through organic farming
e) Details of related party transactions in relation to CSR expenditure as per relevant IND-AS 24 " Related Parties Disclosure"	NA	NA
f) Provision made with respect to Liability incurred by entering into contractual obligation	NA	NA

Note: The Company has undertaken CSR Activities as per schedule VII of the Companies Act, 2013

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### 43 - Disclosures of Derivative Contracts

I. Assets	Foreign Currency	31 March 2025			31 March 2024			01 April 2023		
		Exchange Rate	Amount in Foreign Currency	Amount	Exchange Rate	Amount in Foreign Currency	Amount	Exchange Rate	Amount in Foreign Currency	Amount
Receivables (trade & other)	-	-	-	-	-	-	-	-	-	-
Other Monetary assets (e.g. ICDs/Loans given in FC)	-	-	-	-	-	-	-	-	-	-
<b>Total Receivables (A)</b>	-	-	-	-	-	-	-	-	-	-
<b>Hedges by derivative contracts (B)</b>	-	-	-	-	-	-	-	-	-	-
<b>Unhedged Receivables (C=A-B)</b>	-	-	-	-	-	-	-	-	-	-

II. Liabilities	Foreign Currency	31 March 2025			31 March 2024			01 April 2023		
		Exchange Rate	Amount in Foreign Currency	Amount	Exchange Rate	Amount in Foreign Currency	Amount	Exchange Rate	Amount in Foreign Currency	Amount
Payables (trade & other)	-	-	-	-	-	-	-	-	-	-
Borrowings (ECB and Others)	Euro	91.87	20.00	1,837.41	90.22	20.00	1,788.00	-	-	-
	Dollar	84.81	50.00	4,240.37	-	-	-	-	-	-
<b>Total Payables (D)</b>	-	-	70.00	6,077.78	-	20.00	1,788.00	-	-	-
<b>Hedges by derivative contracts (E)</b>	-	-	70.00	6,077.78	-	20.00	1,788.00	-	-	-
<b>Unhedged Payables (F=D-E)</b>	-	-	-	-	-	-	-	-	-	-

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

II. Contingent Liabilities and commitments	Foreign Currency	31 March 2025			31 March 2024			01 April 2023		
		Exchange Rate	Amount in Foreign Currency	Amount	Exchange Rate	Amount in Foreign Currency	Amount	Exchange Rate	Amount in Foreign Currency	
Contingent Liabilities	-	-	-	-	-	-	-	-	-	
Commitments	-	-	-	-	-	-	-	-	-	
<b>Total (G)</b>	-	-	-	-	-	-	-	-	-	
<b>Hedges by derivative contracts (H)</b>	-	-	-	-	-	-	-	-	-	
<b>Unhedged Payables (I=G-H)</b>	-	-	-	-	-	-	-	-	-	
<b>Total Unhedged FC Exposures (J=C+F+I)</b>	-	-	-	-	-	-	-	-	-	

The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses as at March 31, 2025 as at March 31, 2024 and 01 April 2023.

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 44 - Earning per share

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted earnings/(loss) per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
<b>Ordinary equity shareholders</b>		
Net profit / (loss) attributable to ordinary equity holders	(3,543.63)	3,063.06
Weighted average number of equity shares for basic EPS	46,944,833	36,481,219
Weighted average number of equity shares for diluted EPS	46,944,833	36,583,200
Face Value per share	10.00	10.00
Basic loss per share (INR)	(7.55)	8.40
Diluted loss per share (INR)	(7.55)	8.37

Notes:

i. For the year ended March 31, 2025, the computation of diluted EPS does not include the effect of employee stock options, as these potential equity shares are antidilutive hence, the disclosure is restricted to basic EPS.

ii. Weighted average shares mentioned above are numbers.

iii. As per Ind AS 33, Para 23 " Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into". Consequently CCPS have been included in the computation of Basic EPS.

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### 45 - Contingent Liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
<b>(a) Contingent liabilities</b>			
Claims against the company not acknowledged as debts	-	-	-
Corporate guarantee towards loans	-	5.68	740.66
FLDG against Business Correspondence	1,538.81	-	-
<b>(b) Commitments</b>			
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-
Commitments related to loans sanctioned but not disbursed	-	-	-
<b>Total</b>	<b>1,538.81</b>	<b>5.68</b>	<b>740.66</b>

The Company believes that the amount or estimable range of reasonably possible loss, will not, either individually or aggregate, have a material adverse effect on its business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as at March 31, 2025

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### 46 - Employee Benefits

#### (A) Defined Contribution Plans -

The Company makes Provident fund which are defined contribution plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the basic salary to fund the benefits.

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss –

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Employers' Contribution to Provident Fund and other funds.	510.47	382.37
Employers contribution to ESIC	71.63	51.93

#### (B) Defined Benefit Plans

##### a) Gratuity payable to employees

The Company provides for the gratuity, a defined benefit retirement plan covering qualifying employees. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service.

##### Risks associated with Plan Provisions

Risks associated with the plan provisions are actuarial risks. These risks are:- (i) investment risk, (ii) interest risk (discount rate risk), (iii) mortality risk and (iv) salary risk

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.
Interest risk (discount rate risk)	A decrease in the bond interest rate (discount rate) will increase the plan liability.
Mortality risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report we have used Indian Assured Lives Mortality (2012-14) ultimate table. A change in mortality rate will have a bearing on the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### i) Actuarial assumptions

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
<b>Assumptions - Economic</b>			
Discount rate (per annum)	6.50%	7.10%	7.30%
Salary escalation rate	10%	10%	10%
<b>Assumptions - Demographic</b>			
Retirement age	60.00	60.00	60.00
Attrition rate	40%	20%	20%
Mortality rate	Indian assured lives mortality (2012- 14) Ult.	Indian assured lives mortality (2012- 14) Ult.	Indian assured lives mortality (2012- 14) Ult.

### ii) Changes in the present value of defined benefit obligation

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
<b>Present value of obligation at the beginning of the year</b>	142.55	65.33	30.50
Current service cost	37.84	57.21	27.56
Interest cost	10.12	4.77	2.10
Benefits paid	(3.71)	(5.50)	(1.58)
Actuarial (gain)/ loss from change in financial assumptions	2.21	1.64	-
Actuarial (gain)/ loss from change in demographic assumptions	(63.53)	-	-
Actuarial (gain)/ loss arising from experience adjustments	12.92	19.10	6.75
<b>Present value of obligation at the end of the year*</b>	<b>138.40</b>	<b>142.55</b>	<b>65.33</b>

### Bifurcation of present value of benefit obligation

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
Current amount due within a year	37.44	12.83	5.04
Non current - amount due after one year	100.96	129.72	60.29
<b>Total</b>	<b>138.40</b>	<b>142.55</b>	<b>65.33</b>

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### iii) Expense recognized in the Statement of Profit and Loss

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Current service cost	37.84	57.21
Net interest on net defined liability/(asset)	10.12	4.77
<b>Total expenses recognized in the Statement Profit and Loss*</b>	<b>47.96</b>	<b>61.98</b>

### iv) Expense recognized in Other comprehensive income

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Actuarial (gain) / loss on liability for the period	(68.99)	47.42
Return on plan assets excluding interest income	-	-
<b>Net actuarial (gains) / losses recognised in OCI</b>	<b>(68.99)</b>	<b>47.42</b>

### v) Assets and liabilities recognized in the Balance Sheet:

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
Present value of unfunded obligation as at the end of the year	138.40	142.55	65.33
Fair Value of Plan Assets at the end of the year	-	-	-
<b>Net Liability recognized in Balance Sheet</b>	<b>138.40</b>	<b>142.55</b>	<b>65.33</b>

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vi) A quantitative sensitivity analysis for significant assumption as at 31 March 2025 is as shown below:

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
Defined benefit obligation on Current Assumptions	138.40	142.55	65.33
<b>a) Impact due to change in discount rate</b>			
Impact due to increase of 1%	3.65	7.86	3.67
Impact due to decrease of 1%	3.85	8.72	4.07
<b>b) Impact due to change in salary escalation rate</b>			
Impact due to increase of 1%	3.11	7.53	3.77
Impact due to decrease of 1%	3.00	6.91	3.51

vii) Maturity profile of defined benefit obligation

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
Expected Outgo First year	36.53	13.28	5.22
Expected Outgo Second year	28.47	14.36	6.60
Expected Outgo Third year	25.66	15.99	7.35
Expected Outgo Fourth year	22.88	19.25	8.25
Expected Outgo Fifth year	19.02	22.57	10.53
Above 5 years	35.44	148.43	71.64
<b>Total</b>	<b>168.00</b>	<b>233.88</b>	<b>109.58</b>

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### b) Compensated absences

#### i) Actuarial assumptions

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
<b>Assumptions - Economic</b>			
Discount rate (per annum)	6.50%	7.10%	7.30%
<b>Assumptions - Demographic</b>			
Attrition rate	40.00%	20.00%	20.00%
Retirement age	60 years	60 years	60 years
Mortality rate	IALM (2012-14) Ult.	IALM (2012-14) Ult.	IALM (2012-14) Ult.

#### ii) Changes in the present value of defined benefit obligation

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
<b>Present value of obligation at the beginning of the year</b>	154.89	73.67	24.04
Current service cost	77.55	74.94	42.83
Interest cost	11.00	5.39	1.65
Benefits paid	(37.75)	(25.78)	(8.28)
Actuarial (gain)/ loss from change in financial assumptions	2.10	1.34	(1.30)
Actuarial (gain)/ loss from change in demographic assumptions	(19.91)	-	-
Actuarial (gain)/ loss arising from experience adjustments	(2.78)	25.33	14.73
<b>Present value of obligation at the end of the year*</b>	<b>185.10</b>	<b>154.89</b>	<b>73.67</b>

#### iii) Expense recognized in the Statement of Profit and Loss

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Current service cost	77.55	74.94
Interest cost	11.00	5.39
Remeasurements	(20.59)	26.67
<b>Total expenses recognized in the Statement Profit and Loss</b>	<b>67.96</b>	<b>107.00</b>

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### iv) Assets and liabilities recognized in the Balance Sheet:

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
Defined Benefit Obligation	185.10	154.89	73.67
Fair Value of Plan Assets at the end of the year	-	-	-
Funded Status (Surplus / (Deficit))	-	-	-
<b>Net Liability recognized in Balance Sheet</b>	<b>185.10</b>	<b>154.89</b>	<b>73.67</b>

### v) A quantitative sensitivity analysis for significant assumption as at 31 March 2025 is as shown below:

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
Defined benefit obligation on Current Assumptions			
<b>a) Impact due to change in discount rate</b>			
Impact due to increase of 1%	3.48	6.44	3.04
Impact due to decrease of 1%	3.64	7.07	3.34
<b>b) Rate of increase in salary</b>			
Impact due to increase of 1%	3.49	6.81	3.22
Impact due to decrease of 1%	3.40	6.34	3.00

### vi) Maturity profile of defined benefit obligation

Particulars	As at 31 March 2025	As at 31 March 2024	As at 1 April 2023
Expected Outgo First year	74.93	30.55	14.65
Expected Outgo Second year	48.51	26.51	12.71
Expected Outgo Third year	31.42	23.00	11.03
Expected Outgo Fourth year	20.32	19.96	9.57
Expected Outgo Fifth year	13.20	17.31	8.31
Above 5 year	23.97	108.60	52.26
<b>Total</b>	<b>212.35</b>	<b>225.93</b>	<b>108.53</b>

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### 47 - Leases

#### Company is a lessee:

The Company has entered into lease agreements for office facility and such lease is generally non-cancellable in nature. Certain non-cancellable leases extend up to a maximum of three to five years from their respective dates of inception. The Company has applied short term lease exemption for leasing arrangements where the period of lease is less than 12 months.

#### A. The following is the movement in lease liabilities during the year ended 31 March 2025 and 31 March 2024:

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Opening balance	270.13	307.73	307.73
Additions during the year	-	44.78	-
Add: Interest Expenses	27.96	37.93	-
Less: Payments during the year	(128.30)	(120.31)	-
<b>Closing balance</b>	<b>169.79</b>	<b>270.13</b>	<b>307.73</b>
Current	115.06	100.34	37.60
Non-current	54.73	169.79	270.13
<b>Closing balance</b>	<b>169.79</b>	<b>270.13</b>	<b>307.73</b>

#### B. The following are amounts recognised in statement of profit and loss:

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Depreciation expense of right-of-use assets	107.48	102.75
Interest expense on lease liabilities	27.96	37.93
Expenses relating to short-term leases	501.77	322.69
<b>Total</b>	<b>637.21</b>	<b>463.37</b>

The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension, termination options, non financial restrictions and non financial covenants. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The Company does not have any lease contracts that contains variable payments.

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### C. The following are amounts recognised in cash flow statement:

Particulars	For the Year Ended 31 March 2025	For the Year Ended 31 March 2024
Total cash outflow for leases	128.30	120.31

### D. Maturity of lease liabilities

The undiscounted maturity analysis of lease liabilities is as follows:

As at 31 March 2025	Minimum lease payments due				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Lease payments	129.10	57.21	-	-	186.31

As at 31 March 2024	Minimum lease payments due				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Lease payments	128.30	129.10	57.21	-	314.61

As at 31 March 2023	Minimum lease payments due				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Lease payments	120.31	128.30	129.10	57.21	434.92

## 48 - Segment Reporting

The Company operates in a single reportable segment i.e. financing which has similar risks and returns for the purpose of Ind AS 108 "Operating segments" is considered to be the only reportable business segment. The Company derives its major revenues from financing activities and its customers are widespread. Further, the Company operates only in India which is considered as a single geographical segment.

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 49 - Maturity analysis of asset & liabilities

Particulars	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	13,512.19	-	13,512.19	21,168.22	-	21,168.22
Bank balances other than cash and cash equivalents	4,953.96	4,912.48	9,866.44	1,791.23	1,600.63	3,391.86
Derivative financial instruments	72.12	-	72.12	-	-	-
Trade receivables	240.13	-	240.13	193.92	-	193.92
Loans	51,111.72	17,872.34	68,984.06	60,206.89	32,513.42	92,720.31
Other financial asset	794.07	65.44	859.51	579.14	40.21	619.35
<b>Total Financial assets</b>	<b>70,684.18</b>	<b>22,850.27</b>	<b>93,534.45</b>	<b>83,939.40</b>	<b>34,154.26</b>	<b>1,18,093.66</b>
<b>Non Financial assets</b>						
Current tax assets (net)	475.88	-	475.88	133.14	-	133.14
Deferred tax assets (net)	-	2,038.01	2,038.01	-	619.52	619.52
Property, plant and equipment	-	421.49	421.49	-	332.55	332.55
Right- of- use assets	-	147.39	147.39	-	254.87	254.87
Intangible assets	-	90.15	90.15	-	42.48	42.48
Other non-financial assets	244.18	-	244.18	220.17	-	220.17
<b>Total Non Financial assets</b>	<b>720.06</b>	<b>2,697.04</b>	<b>3,417.10</b>	<b>353.31</b>	<b>1,249.42</b>	<b>1,602.73</b>
<b>Total Asset</b>	<b>71,404.24</b>	<b>25,547.31</b>	<b>96,951.55</b>	<b>84,292.71</b>	<b>35,403.68</b>	<b>1,19,696.39</b>

#### Liabilities and Equity

##### Liabilities

##### Financial liabilities

Derivative financial instruments	-	-	-	23.02	-	23.02
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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Payables						
(I) Trade payables			-			
(i) total outstanding dues of micro enterprises and small enterprises	18.41	-	18.41	7.26	-	7.26
(ii) total outstanding dues of creditors other than micro enterprises & small enterprises	114.67	-	114.67	50.58	-	50.58
Debt securities	8,506.67	11,307.01	19,813.68	2,256.02	10,033.41	12,289.43
Borrowings (other than Debt securities)	37,834.93	11,277.38	49,112.31	48,214.18	26,467.53	74,681.71
Lease Liabilities	115.06	54.73	169.79	100.35	169.78	270.13
Other financial liabilities	664.54	-	664.54	1,888.69	-	1,888.69
<b>Total financial liabilities</b>	<b>47,254.28</b>	<b>22,639.12</b>	<b>69,893.40</b>	<b>52,540.10</b>	<b>36,670.72</b>	<b>89,210.82</b>
<b>Non-Financial liabilities</b>						
Provisions	55.68	267.82	323.50	42.35	255.09	297.44
Other non-financial liabilities	262.35	-	262.35	257.40	-	257.40
<b>Total non-financial liabilities</b>	<b>318.03</b>	<b>267.82</b>	<b>585.85</b>	<b>299.75</b>	<b>255.09</b>	<b>554.84</b>
<b>Total Liabilities</b>	<b>47,572.31</b>	<b>22,906.94</b>	<b>70,479.25</b>	<b>52,839.85</b>	<b>36,925.81</b>	<b>89,765.66</b>
<b>Net assets</b>	<b>23,831.93</b>	<b>2,640.37</b>	<b>26,472.30</b>	<b>31,452.86</b>	<b>(1,522.14)</b>	<b>29,930.73</b>

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at 01 April 2023		
	Within 12 months	After 12 months	Total
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	12,411.32	-	12,411.32
Bank balances other than cash and cash equivalents	247.93	1,407.84	1,655.77
Derivative financial instruments	-	-	-
Trade receivables	253.30	-	253.30
Loans	41,529.11	21,100.37	62,629.48
Investments	-	-	-
Other financial asset	754.02	30.32	784.34
<b>Total Financial assets</b>	<b>55,195.68</b>	<b>22,538.53</b>	<b>77,734.21</b>
<b>Non Financial assets</b>			
Current tax assets (net)	22.69	-	22.69
Deferred tax assets (net)	-	285.42	285.42
Property, plant and equipment	-	234.18	234.18
Right- of- use assets	-	312.84	312.84
Intangible assets	-	5.85	5.85
Other non-financial assets	125.93	-	125.93
<b>Total Non Financial assets</b>	<b>148.62</b>	<b>838.29</b>	<b>986.91</b>
<b>Total Asset</b>	<b>55,344.30</b>	<b>23,376.81</b>	<b>78,721.12</b>

### Liabilities and Equity

#### Liabilities

##### Financial liabilities

Derivative financial instruments	-	-	-
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## Sindhuja Microcredit Private Limited

CIN: U65990UP2017PTC099006

Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at 01 April 2023		
	Within 12 months	After 12 months	Total
Payables			
(I) Trade payables			-
(i) total outstanding dues of micro enterprises and small enterprises	5.17	-	5.17
(ii) total outstanding dues of creditors other than micro enterprises & small enterprises	23.93	-	23.93
Debt securities	6,277.55	6,648.43	12,925.98
Borrowings (other than Debt securities)	31,835.16	16,778.20	48,613.36
Lease Liabilities	-	307.73	307.73
Other financial liabilities	1,302.24	-	1,302.24
<b>Total financial liabilities</b>	<b>39,444.05</b>	<b>23,734.36</b>	<b>63,178.41</b>
<b>Non-Financial liabilities</b>			
Provisions	19.18	119.82	139.00
Other non-financial liabilities	153.24	-	153.24
<b>Total non-financial liabilities</b>	<b>172.42</b>	<b>119.82</b>	<b>292.24</b>
<b>Total Liabilities</b>	<b>39,616.47</b>	<b>23,854.18</b>	<b>63,470.65</b>
<b>Net assets</b>	<b>15,727.83</b>	<b>(477.37)</b>	<b>15,250.47</b>

## 50 - Fair values of Financial assets And Financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial - term deposits is not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits and other financial assets.

The amortized cost using effective interest rate (EIR) of financial liabilities including borrowing, trade payable is not significantly different from the carrying amount.

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### Fair value measurement of assets and liabilities

Particulars	As at 31st March, 2025		As at 31st March, 2024		As at 01 April, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>						
Cash and cash equivalents	13,512.19	13,512.19	21,168.22	21,168.22	12,411.32	12,411.32
Bank balances other than cash and cash equivalent	4,953.96	4,953.96	1,791.23	1,791.23	247.93	247.93
Trade receivables	240.13	240.13	193.92	193.92	253.30	253.30
Other receivables	158.19	158.19	518.63	518.63	704.21	704.21
Loans (at amortised cost)	68,984.06	68,984.06	92,720.31	92,720.31	62,629.48	62,629.48
Investments	-	-	-	-	-	-
Fixed deposit accounts with maturity for more than 12 months	4,912.48	4,912.48	1,600.63	1,600.63	1,407.84	1,407.84
Amount paid in Advance	153.40	153.40	38.69	38.69	26.99	26.99
Recoverables	477.20	477.20	10.02	10.02	12.37	12.37
Security Deposits	65.44	65.44	40.21	40.21	30.32	30.32
Advance to Employees	0.85	0.85	0.26	0.26	0.78	0.78
Other Financial Assets	4.43	4.43	11.53	11.53	9.67	9.67
Derivative Financial Asset	72.12	72.12				
<b>Total Financial Assets</b>	<b>93,534.45</b>	<b>93,534.45</b>	<b>1,18,093.66</b>	<b>1,18,093.66</b>	<b>77,734.21</b>	<b>77,734.21</b>
<b>Financial Liabilities</b>						
Trade payables	133.08	133.08	57.84	57.84	29.10	29.10
Debt securities	19,813.68	19,813.68	12,289.43	12,289.43	12,925.98	12,925.98
Borrowing other than debt securities	49,112.31	49,112.31	74,681.71	74,681.71	48,613.36	48,613.36
Lease Liability	169.79	169.79	270.13	270.13	307.73	307.73
Derivative Financial Liability	-	-	23.02	23.02	-	-
Employee benefit payable	348.31	348.31	495.83	495.83	228.33	228.33
Payable on assigned portfolio	160.23	160.23	999.40	999.40	604.67	604.67
Payable on business correspondence	3.06	3.06	153.75	153.75	271.60	271.60
Other payables	152.94	152.94	239.71	239.71	197.64	197.64
<b>Total Financial Liabilities</b>	<b>69,893.40</b>	<b>69,893.40</b>	<b>89,210.82</b>	<b>89,210.82</b>	<b>63,178.41</b>	<b>63,178.41</b>

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 51 - Fair Value Hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

-Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

-Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**(A)The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:**

#### As at 31 March 2025

Particulars	Level 1	Level 2	Level 3
<b>Financial Assets</b>			
<b>(a) Financial assets measured at fair value through profit or loss</b>			
Derivative financial assets	-	72.12	-

#### As at 31 March 2024

Particulars	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>			
<b>(a) Financial liabilities measured at fair value through profit or loss</b>			
Derivative financial liabilities	-	23.02	-

#### Note:

i. There have been no transfers between Level 1 and Level 2 during the period

iii. The carrying amount of cash and cash equivalents, trade receivables, other receivable, loans, other financial assets, trade payables, borrowing, lease liability, other payables, debt securities, other financial liabilities are considered to be the Same as their fair values.

#### Valuation techniques and significant unobservable inputs

The Cross Currency Interest Rate Swaps (CCIRS) are measured at fair value using the mark-to-market (MTM) value shared by the contracting bank at balance sheet date.

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

## 52 - Financial Risk Management Objectives And Policies

### Introduction and risk profile -

The Company is exposed to various financial risks. These risks are categorized into credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

Sindhuja Microcredit Private Limited is one of the leading microfinance institutions in India focused on providing financial support to women from low income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women from low income households, willing to borrow in a group and agreeable to take joint liability. The wide range of lending products address the critical needs of customers throughout their lifecycle and mainly include income generation Loans. With a view to diversifying the product profile, the company has introduced individual loans for matured group lending customers.

The major risks for the company are credit, operational, market, business environment, political, regulatory, concentration, expansion and liquidity

### (a) Risk management framework

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Risk Management framework approved by the Board has laid down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the Company. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organisation and having appropriate systems and tools for timely identification, measurement and reporting of risks for managing them.

The Board has a Risk Management committee which is responsible for monitoring the overall risk process within the Company and reports to the Board of Directors.

The Risk Management guidelines will be implemented through the established organization structure of Risk Department. The overall monitoring of the Risks is done by the Managing Director) with the support from all the department heads of the Company. The Board reviews the status and progress of the risk and risk management system, on a quarterly and half yearly basis through the Audit Committee and Risk Management Committee. The individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. Assignment of responsibilities in relation to risk management is prerogative of the Heads of Departments. While each department focuses on its specific area of activity, the Risk Management Unit operates in coordination with all other departments, utilising all significant information sourced to ensure effective management of risks in accordance with the guidelines approved by the Board. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

### (b) Risk mitigation and risk culture

Risk assessments are conducted for all business activities. The assessments are to address potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed by competent personnel from individual departments and risk management department including, where appropriate, expertise from outside the Company. The risk mitigation is planned using the following key strategies:

**Risk Avoidance:** By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

**Risk Transfer:** Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging

**Risk reduction:** Employing methods/solutions that reduce the severity of the loss.

**Risk Retention:** Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

## (c) Risk measurement and reporting systems

The heads of all the departments in association with risk management are responsible for coordinating the systems for identifying risks within their own department or business activity

The Management Level Risk Committee meetings are held as necessary. The Management Level Risk Committee would monitor the management of major risks specifically and other risks of the Company in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from Risk Management Committee and actionable items drawn from the risk management framework

Accordingly, the Management Level Risk Committee reviews the following aspects of business specifically from a risk indicator perspective .- Review of business growth and portfolio quality, Review of process compliances across organisation, Review, where necessary, policies that have a bearing on the operational & credit risk management and recommend amendments.

## (d) Risk Management Strategies

Excessive risk concentrations

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location. The following management strategies and policies are adopted by the Company to manage the various key risks.

### A - Political Risk mitigation measures:

- High social focused activities
- Low cost operations and low pricing for customers
- Robust grievance redressal mechanism

### B - Concentration risk mitigation measures:

- District centric approach
- Maximum disbursement cap per loan account
- Maximum loan exposure cap per customer
- Diversified funding resources

### C - Operational & HR Risk mitigation measures

- Stringent customer enrolment process
- Strong IT system with access to real time client and loan data
- Proper recruitment policy and appraisal system

### D - Liquidity risk mitigation measures:

- Diversified funding resources
- Asset liability management
- Effective fund management
- Maximum cash holding cap

## (B) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings.

### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to the risk of changes in market interest rates.

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is not affected through the impact on floating rate borrowings, as follows:

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(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Variable rate borrowing	42,839.14	62,033.62	43,698.24
Fixed rate borrowings	26,086.85	24,937.52	17,841.10
<b>Total</b>	<b>68,925.99</b>	<b>86,971.14</b>	<b>61,539.34</b>

\*Accrued interest but not due and unamortized transaction costs are included in borrowings.

### Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
50 bp increase would decrease the profit before tax by*	(214.20)	(310.17)	(218.49)
50 bp decrease would increase the profit before tax by*	214.20	310.17	218.49

\* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised during the period.

### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. However, the company is not exposed to such risk.

The carrying amount of the Company's foreign currency exposure at the end of the reporting period are as follows:

Particulars	Currency	As at 31 March 2025	As at 31 March 2024
Financial liabilities	EURO	1,837.41	1,788.00
Financial liabilities	USD	4,240.37	-

### (C) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

#### (i) Impairment assessment

The below mentioned notes, in conjunction with the relevant accounting policies, explain the company's impairment assessment.

#### - 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.

As a part of a qualitative assessment of whether a customer is in default, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events may include (and not be limited to):-

All the facilities of a borrower from all the borrowed accounts are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.- A covenant breach not waived by the Company.

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### - PD estimation process

Probability of Default (PD) is an estimate of the likelihood of default in a homogenous pool of loans, over its performance period of following 12 month/lifetime horizon. PD estimation process is done based on historical & empirical internal data available with the company. Company calculates the 12-month PD by taking into account the past historical trends of the portfolio, credit performance including actual default data and Macro economic variables. In case of assets where there is a significant increase in credit risk (SICR) i.e. when a borrower becomes 30 Days past Due and is classified as Stage 2, a higher PD is applied basis empirical data of such customers defaulting. For credit impaired assets (Stage 3), a PD of 100% is applied.

PD represents the empirical residual value of loans at the time of default (during the performance period), relative to the principal balance of all Non-Default accounts at the start point of the performance period. 12 month period for which performance has been empirically measured. The Company assesses and empirically measure the possible default events within 12 months or lifetime. This PD factor is applied to all Stage 1 & Stage 2 loans, to estimate the likely of Default.

For credit impaired assets (i.e. Stage 3 assets), PD of 100% is applied.

### - Loss Given Default (LGD) & Exposure at Default (EAD)

Loss Given Default (LGD) is an estimate of the ultimate loss arising when a default occurs. It is based on empirical contractual realizations from credit impaired assets (i.e. Stage 3 assets), after event of default including from the realization of any security This is computed basis seasoned defaulted loans.

Exposure at Default (EAD) is considered as 100% of Outstanding balance in respect of loan receivables.

### - Significant increase in credit risk

The Company continuously monitors its Loan Portfolio in order to assess whether there has been an event which could cause a significantly increase in the credit risk (SICR) of the underlying asset or the customer's ability to pay and accordingly applies a higher PD rate. An asset can move in & out of SICR category based upon whether it has undergone SICR events that may include (and not be limited to):

- When one of the facilities of a borrower becomes 30 days past due
- Borrowers of a segment/industry/geography under stress

### - Change in accounting estimates

#### Impact of updating the Expected Credit Loss (ECL) Model

The company periodically reviews and updates the model in line with the new inputs and performance trends to reflect the reasonableness and adequacy of ECL amount recognised as at reporting date. During the Financial Year 2024-25, the ECL model was reviewed and updated, and it has resulted into increase/decrease in expected credit cost for various cohorts of the Portfolio due to deterioration/improvement in performance of the cohort.

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### For the year ended 31 March 2025

Asset Classification as per RBI Norms	Asset classification as per Ind AS	Gross Carrying Amount as per Ind AS (A)	Loss Allowances (Provisions) as required under Ind AS 109 (B)	Net Carrying Amount C=(A-B)	Provision as per IRACP norms(D)	Difference between Ind AS 109 provisions and IRACP norms Excess/(short)
<b>Standard</b>	<b>Stage 1</b>	68,513.78	523.15	67,990.63	956.87	(433.72)
	<b>Stage 2</b>	2,124.87	1,146.74	978.13	28.63	1,118.11
<b>Subtotal</b>		<b>70,638.65</b>	<b>1,669.89</b>	<b>68,968.76</b>	<b>985.50</b>	<b>684.39</b>
<b>Non-Performing Assets (NPA)</b>		-	-	-	-	-
<b>Substandard</b>	<b>Stage 3</b>	22.26	16.96	5.30	0.12	16.84
<b>Doubtful - up to 1 year</b>	<b>Stage 3</b>	42.03	32.03	10.00	0.43	31.60
<b>1 to 3 years</b>	<b>Stage 3</b>	-	-	-	-	-
<b>More than 3 years</b>	<b>Stage 3</b>	-	-	-	-	-
<b>Subtotal for doubtful</b>		<b>42.03</b>	<b>32.03</b>	<b>10.00</b>	<b>0.43</b>	<b>31.60</b>
<b>Loss</b>	<b>Stage 3</b>	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>64.29</b>	<b>48.99</b>	<b>15.30</b>	<b>0.55</b>	<b>48.44</b>
<b>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</b>	<b>Stage 1</b>	-	-	-	-	-
	<b>Stage 2</b>	-	-	-	-	-
	<b>Stage 3</b>	-	-	-	-	-
	<b>Subtotal</b>		-	-	-	-
<b>Total</b>	<b>Stage 1</b>	<b>68,513.78</b>	<b>523.15</b>	<b>67,990.63</b>	<b>956.87</b>	<b>(433.72)</b>
	<b>Stage 2</b>	<b>2,124.87</b>	<b>1,146.74</b>	<b>978.13</b>	<b>28.63</b>	<b>1,118.11</b>
	<b>Stage 3</b>	<b>64.29</b>	<b>48.99</b>	<b>15.30</b>	<b>0.55</b>	<b>48.44</b>
	<b>Total</b>	<b>70,702.94</b>	<b>1,718.88</b>	<b>68,984.06</b>	<b>986.05</b>	<b>732.83</b>

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(All amounts in INR Lakhs, unless otherwise stated)

### For the year ended 31 March 2024

Asset Classification as per RBI Norms	Asset classification as per Ind AS	Gross Carrying Amount as per Ind AS (A)	Loss Allowances (Provisions) as required under Ind AS 109 (B)	Net Carrying Amount C=(A-B)	Provision as per IRACP norms(D)	Difference between Ind AS 109 provisions and IRACP norms Excess/(short)
<b>Performing Assets</b>	<b>Stage 1</b>	92,603.90	238.50	92,365.40	1,307.56	(1,069.07)
<b>Standard</b>	<b>Stage 2</b>	433.37	246.42	186.95	5.90	240.52
<b>Subtotal</b>		93,037.27	484.92	92,552.35	1,313.46	(828.55)
<b>Non-Performing Assets (NPA)</b>						
<b>Substandard</b>	<b>Stage 3</b>	1,441.20	1,273.24	167.96	13.78	1,259.46
<b>Doubtful - up to 1 year</b>	<b>Stage 3</b>	-	-	-	-	-
<b>1 to 3 years</b>	<b>Stage 3</b>	-	-	-	-	-
<b>More than 3 years</b>	<b>Stage 3</b>	-	-	-	-	-
<b>Subtotal for doubtful</b>		-	-	-	-	-
<b>Loss</b>	<b>Stage 3</b>	-	-	-	-	-
<b>Subtotal for NPA</b>		1,441.20	1,273.24	167.96	13.78	1,259.46
<b>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</b>	<b>Stage 1</b>	-	-	-	-	-
	<b>Stage 2</b>	-	-	-	-	-
	<b>Stage 3</b>	-	-	-	-	-
<b>Subtotal</b>		-	-	-	-	-
<b>Total</b>	<b>Stage 1</b>	92,603.90	238.50	92,365.40	1,307.56	(1,069.07)
	<b>Stage 2</b>	433.37	246.42	186.95	5.90	240.52
	<b>Stage 3</b>	1,441.20	1,273.24	167.96	13.78	1,259.46
	<b>Total</b>	<b>94,478.47</b>	<b>1,758.16</b>	<b>92,720.31</b>	<b>1,327.24</b>	<b>430.92</b>

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### (D) Liquidity risk and funding management

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Company may face an asset-liability mismatch caused by a difference in the maturity profile of its assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:

Diversified funding resources: - The Company's treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. The Company continuously seek to diversify its sources of funding to facilitate flexibility in meeting our funding requirements. Due to the composition of the loan portfolio, which also qualifies for priority sector lending, it also engages in securitization and assignment transactions.

Asset Liability Management (ALM) can be termed as a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets over liabilities. The scope of ALM function can be described as follows:

- i. Funding and Capital Management,
- ii. Liquidity risk management,
- iii. Interest Rate risk management,
- iv. Forecasting and analyzing 'What if scenario' and preparation of contingency plans.

Capital guidelines ensure the maintenance and independent management of prudent capital levels for CAGL to preserve the safety and soundness of the Company, to support desired balance sheet growth and the realization of new business; and to provide a cushion against unexpected losses.

### Asset liability Management- Maturity pattern of certain items of assets and liabilities

#### Liquidity assessment as on March 31, 2025

Particulars	1- 7 days	8-14 days	15-30/31 Days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances *	3,058.21	1,804.21	838.98	4,931.84	4,639.06	13,839.57	21,999.85	17,220.68	591.79	59.87	68,984.06
Investments	-	-	-	-	-	-	-	-	-	-	-
Borrowings **	1,287.35	389.71	2,042.57	3,802.01	4,158.30	11,108.02	23,390.70	16,141.71	363.63	1.27	62,685.27
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	50.38	112.56	-	3,884.96	2,192.82	-	6,240.72

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

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### Liquidity assessment as on March 31, 2024

Particulars	1- 7 days	8-14 days	15-30/31 Days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances *	3,122.07	1,975.83	841.63	5,549.55	4,834.36	15,735.51	28,147.94	32,185.40	270.99	57.03	<b>92,720.31</b>
Investments	-	-	-	-	-	-	-	-	-	-	-
Borrowings **	1,311.72	419.61	2,809.22	4,650.90	5,040.39	13,806.69	22,363.23	34,712.94	-	-	<b>85,114.70</b>
Borrowing other than debt securities	-	-	-	-	-	-	-	-	-	-	-
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	68.44	-	-	1,788.00	-	-	<b>1,856.44</b>

### Liquidity assessment as on April 01, 2023

Particulars	1- 7 days	8-14 days	15-30/31 Days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances *	1,793.55	1,420.43	596.10	3,944.67	3,731.70	10,826.88	19,215.78	21,079.49	20.88	-	<b>62,629.48</b>
Investments	-	-	-	-	-	-	-	-	-	-	-
Borrowings **	1,100.98	247.58	1,490.27	2,653.10	3,052.50	9,111.48	20,456.80	23,426.63	-	-	<b>61,539.34</b>
Borrowing other than debt securities **	-	-	-	-	-	-	-	-	-	-	-
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

Note:

\* Net of provision for standard and non performing asset

\* EIR on advances has been included in the last bucket of advances

\* Accrued interest on advances has been included in the first bucket of advances

\*\* EIR on borrowings has been included in the last bucket of the respective borrowings

\*\* Accrued interest on borrowings has been included in the first bucket of borrowings

## Sindhuja Microcredit Private Limited

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### Liquidity ratios

Public Disclosure on Liquidity Risk (in accordance with RBI Circular - RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20), as on March 31, 2025 as below:

#### a. Funding Concentration based on significant counterparty

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Number of significant counter parties	32.00	32.00	35.00
Amount	64,061.28	78,439.94	60,804.69
<b>Percentage of funding total liabilities#</b>	<b>90.89%</b>	<b>87.38%</b>	<b>95.80%</b>

\*Accrued interest but not due and unamortized transaction costs are included in borrowings.

#Total Liabilities does not include the shareholders fund

Significant Counterparties are defined as - A single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the Company's total borrowings.

#### b. Top 10 borrowings (by counterparty)

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Total Borrowings	68,925.99	86,971.14	61,539.34
Top 10 Borrowings	38,977.56	39,633.60	30,628.13
<b>Top 10 as a percentage of total borrowings</b>	<b>56.55%</b>	<b>45.57%</b>	<b>49.77%</b>

\*Accrued interest but not due and unamortized transaction costs are included in borrowings.

#### c. Funding Concentration by Instrument

Particulars	As at 31 March 2025	% of Total Liabilities	As at 31 March 2024	% of Total Liabilities	As at 01 April 2023	% of Total Liabilities
Non-Convertible Debentures (NCD)	13,572.96	14.00%	10,432.99	8.72%	12,925.98	16.42%
External Commercial Borrowings (ECB)	6,240.72	6.44%	1,856.44	1.55%	-	0.00%
Term Loans	49,112.31	50.66%	74,681.71	62.39%	48,613.36	61.75%
<b>Total</b>	<b>68,925.99</b>		<b>86,971.14</b>		<b>61,539.34</b>	

\*Accrued interest but not due and unamortized transaction costs are included in borrowings.

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### d. Stock Ratios

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Commercial Paper - as a percentage of total public funds	NA	NA	NA
Commercial Paper - as a percentage of total liabilities *	NA	NA	NA
Commercial Paper - as a percentage of total assets	NA	NA	NA
NCD (original maturity < 1year) - as a percentage of total public funds	NA	NA	NA
NCD (original maturity < 1year) - as a percentage of total liabilities *	NA	NA	NA
NCD (original maturity < 1year) - as a percentage of total assets	NA	NA	NA
Other Short Term Debt - as a percentage of total public funds	NA	NA	NA
Other Short Term Debt - as a percentage of total liabilities *	65.52%	56.15%	9.61%
Other Short Term Debt - as a percentage of total assets	47.63%	42.11%	7.75%

\* Total Liabilities does not include Total Equity.

### e. Institutional set-up for liquidity risk management

The Liquidity Risk Management Policy of the Company is approved by the Board of Directors of the Company.

The Company has constituted an asset liability committee for overseeing and ensuring adherence to the limits set by the Board as well as for deciding business strategy of the NBFC (on the assets and liabilities sides) in line with the NBFC's budget and decided risk management objectives. The scope of ALM function can be described as follows:

- Liquidity risk management
- Management of market risks
- Funding and capital planning
- Profit planning and growth projection
- Forecasting and analyzing 'What if scenario' and preparation of contingency plans

## 53 - Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Regulatory capital	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
TIER I capital	24,215.96	29,213.64	14,916.74
TIER II capital	531.96	506.93	457.25
<b>Total capital</b>	<b>24,747.93</b>	<b>29,720.57</b>	<b>15,374.00</b>
<b>Risk weighted assets</b>	<b>76,137.68</b>	<b>98,184.87</b>	<b>66,410.63</b>
Tier I CRAR	31.81%	29.75%	22.46%
Tier II CRAR	0.70%	0.52%	0.69%
Tier I CRAR + Tier II CRAR	32.51%	30.27%	23.15%

Regulatory capital consists of TIER I capital, which comprises share capital, share premium, retained earnings including current year loss less accrued dividends and TIER II capital which comprises of Hybrid debt instruments & general provision of standard assets.

As per RBI guidelines, the Company being a Non-Banking Finance Company has to maintain 15% of capital adequacy ratio for NBFC business.

### Net Debt to Equity Ratio

Regulatory capital	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Net debt*	45,547.36	62,411.06	47,472.25
Total equity	26,472.30	29,930.73	15,250.47
Net debt to equity ratio	1.72	2.09	3.11

\*Net debt includes debt securities + borrowings other than debt securities + interest accrued - cash and cash equivalents - bank balances other than cash and cash equivalents.

## 54 - Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended on March 31, 2025, MCA has not notified any new standards or amendments to the existing standards which are applicable on the company w.e.f April 01, 2025.

## 55 - Additional regulatory information required

### (i) Title deeds of immovable property not held in name of the Company

The Company does not holds the immovable property in its own name as on March 31, 2025.

### (ii) Valuation of property, plant and equipment, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the current or previous year.

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### (iii) Loans or advances in the nature of loans

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

### (iv) Capital-work-in-progress (CWIP)

The Company does not have any Capital-work-in-progress.

### (v) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

### (vi) Details of benami property held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

### (vii) Borrowings from banks or financial institutions on the basis of security of current assets

The Company does not have any working capital limits from any banks or financial institution on the basis of security of current assets.

### (viii) Wilful defaulter

The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

### (ix) Relationship with struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

### (x) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

### (xi) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of The Companies Act, 2013.

### (xii) Compliance with approved scheme(s) of arrangements

The Company has not approved any scheme of arrangement in accordance with sections 230 to 237 of the Companies Act, 2013.

### (xiii) Utilisation of borrowed funds and share premium - Other than the transactions that are carried out as part of Company's normal lending business:

A. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (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 to or on behalf of the Ultimate Beneficiaries.

B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) 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.

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 56 - Regulatory Disclosures

#### 56.1 - Capital

Particulars	As at 31 March 2025	As at 31 March 2024
CRAR (%)	32.51%	30.27%
CRAR - Tier I Capital (%)	31.81%	29.75%
CRAR - Tier II Capital (%)	0.70%	0.52%
Amount of subordinated debt raised as Tier-II capital	NA	NA
Amount raised by issue of Perpetual Debt Instruments	NA	NA

#### 56.2 - Investment

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Value of investments</b>		
Gross value of investments	-	-
In India	-	-
Outside India	-	-
Provisions for depreciation	-	-
In India	-	-
Outside India	-	-
Net value of investments	-	-
In India	-	-
Outside India	-	-
<b>Movement of provisions held towards depreciation on investments</b>		
Opening balance	-	-
Add : Provisions made during the year	-	-
Less Write-off / write-back of excess provisions during the year	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>

#### Details of financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction:

The Company has not sold any financial assets to Securitisation/Reconstruction Company for Asset Reconstruction for the year ended 31 March, 2025, 31 March, 2024 and 1 April, 2023.

#### The Company has sold financial assets by way of Direct Assignment in the year ended March 31, 2025.

Particulars	As at 31 March 2025	As at 31 March 2024
Count of loans accounts assigned	-	23,479.00
Amount of loan accounts assigned	-	6,251.00
Weighted average maturity (in months)	-	13.75
Weighted average holding period (in months)	-	9.40
Retention of beneficial economic interest	-	10%
Coverage of tangible security	-	-
Rating wise distribution of rated loans	N/A	N/A

Details of loans re-purchased in compliance with paragraph 48 of Master Direction - RBI (Transfer of loan exposures) Directions, 2021 during the year ended March 31, 2025: Nil (March 31, 2024: Nil).

The Company did not transfer any stressed loan during the financial year ended March 31, 2025 and March 31, 2024.

The Company did not acquire any stressed loan during the financial year ended March 31, 2025 and March 31, 2024.

The Company has not acquired any special mention account or stressed loan or loan not in default during the financial year ended March 31, 2025 and March 31, 2024.

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Notes to financial statements for the year ended 31 March 2025

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### 56.3 - Derivatives

#### Currency and interest rate swap

Particulars	As at 31 March 2025	As at 31 March 2024
Notional principal of swap agreements	5,960.10	1,787.60
Loss/ (profit) which would be incurred if counterparties failed to fulfil their obligations under the agreement	-	-
Collateral required by the applicable NBFC upon entering into swaps	899.90	310.52
Concentration of credit risk arising from swap	-	-
Fair value of the swap book	72.12	(23.02)

#### The company enters into derivative contracts for risk management purpose.

Note 7 represents the fair value of derivate financial instruments recorded as assets together with the notional amount. The notional amount indicates the value of transaction outstanding at the year end and are not indicative of either the market risk or credit risk.

#### Exchange Traded Interest rate (IR) Derivatives

The company has not traded in Interest Rate Derivative during the financial year ended 31 March, 2025 (31 March 2024: Nil).

### 56.4 - Exposures

- The Company has no exposure to real estate sector during the March 31, 2025 and March 31, 2024.
- The Company has no exposure to capital market during the March 31, 2025 and March 31, 2024.
- Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC
- During the year, the Company has not exceeded SGL & GBL limits as prescribed under NBFC Regulation.
- Unsecured Advances

During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc.

### 56.5 - Registration obtained from other financial sector regulators

RBI registration no : N-12.00469

Company Identification Number (CIN) : U65990UP2017PTC099006

### 56.6 - Disclosure of Penalties imposed by RBI and other regulator

During the year ended March 31, 2025 and March 31, 2024, no penalties have been levied by any regulator on the Company.

### 56.7 - Related Party Transaction

Refer note 37 of Financial Statements for related party transaction disclosure.

The company have not entered into any transactions related to borrowings, deposits, placement of deposits, advance, purchase/sale of fixed/other assets and Investments during the year with directors, KMP and their relatives

### 56.8 - Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars	As at 31 March 2025	As at 31 March 2024
Non-Convertible Debenture	"IND BBB"/ POSITIVE	"IND BBB"/ STABLE
Long Term Bank loans	"IND BBB"/ POSITIVE and "CRISIL BBB"/STABLE	"IND BBB"/ STABLE and "CRISIL BBB"/STABLE

### 56.9 - Remuneration of Directors

Remuneration or Sitting fees paid or provided is disclosed in the Related party disclosure note 37.

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Notes to financial statements for the year ended 31 March 2025

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### 56.10 - Provisions and contingencies

Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss account	As at 31 March 2025	As at 31 March 2024
Provisions for depreciation on investment	-	-
Provision towards NPA	(1,224.25)	698.66
Provision made towards income tax net of deferred tax	(1,440.98)	975.55
Other provision and contingencies (Gratuity and Leave encashment)	115.92	168.98
Provision for Standard assets	1,184.97	126.43

### 56.11 - Draw Down from Reserves

During the year, the Company has not drawn down any amount from Reserves.

### 56.12 - Concentration of deposits, advances, exposures and NPAs

The Company has not taken any deposits from any party during the year ended March 31, 2025 and March 31, 2024.

### 56.13 - Concentration of Advances, Expenses & NPAs

#### Concentration of Advances

Particulars	As at 31 March 2025	As at 31 March 2024
Total Advances to twenty largest borrowers	229.00	184.00
Percentage of Advances to twenty largest borrowers to Total Advances of the applicable NBFC	0.32%	0.12%

### 56.14 - Concentration of Exposures

Particulars	As at 31 March 2025	As at 31 March 2024
Total Exposure to twenty largest borrowers / customers	218.07	181.57
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the applicable NBFC on borrowers / customers	0.31%	0.19%

### 56.15 - Concentration of NPA assets

Particulars	As at 31 March 2025	As at 31 March 2024
Total Exposure to top four NPA accounts	14.42	2.45

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 56.16 - Sector-wise Non performing Assets (NPA) Own

Sector	Percentage of NPAs	
	As at 31 March 2025	As at 31 March 2024
Agriculture and allied activities	0.10%	1.83%
MSME	0.99%	-
Corporate borrowers	-	-
Services	-	0.26%
Unsecured personal loans	-	0.45%
Auto loans	-	-
Trade	-	0.42%
Other personal loans	-	-

### 56.17 - Movement of NPA assets

Particulars	As at 31 March 2025	As at 31 March 2024
<b>NPA (net of provisions) to net advances (%)</b>	<b>0.02%</b>	<b>0.18%</b>
<b>Movement of NPA (Gross)</b>		
Opening balance	1,441.20	600.17
Additions during the year	9,420.84	1,193.81
Reductions during the year	10,797.75	352.78
<b>Closing balance</b>	<b>64.29</b>	<b>1,441.20</b>
<b>Movement of Net NPA</b>		
Opening balance	<b>167.96</b>	<b>25.59</b>
Additions during the year	1,172.69	157.41
Reductions during the year	1,325.35	15.04
<b>Closing balance</b>	<b>15.30</b>	<b>167.96</b>

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Movement of provisions for NPA (excluding provisions on standard assets)</b>		
Opening balance	1,273.24	574.58
Provisions made during the year	8,248.15	1,036.40
Write-off/ Write-back of excess provisions	(9,472.40)	(337.74)
<b>Closing balance</b>	<b>48.99</b>	<b>1,273.24</b>

### 56.18 - Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total Assets
The company does not have any joint venture or subsidiary abroad, hence, not applicable.	NA	NA	NA

### 56.19 - Off-balance Sheet SPVs sponsored

The company does not have any off balance sheet SPV sponsored.

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### 56.20 - Disclosure of Complaints

Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman	As at 31 March 2025	As at 31 March 2024
(a) No. of complaints pending at the beginning of the year	23	28
(b) No. of complaints received during the year	2,039	1,699
(c) No. of complaints redressed during the year	2,034	1,704
(d) No. of complaints pending at the end of the year	<b>28</b>	<b>23</b>
<b>(e) Maintainable complaints received by the NBFC from office of Ombudsman</b>		
Maintainable complaints received by the NBFC from office of Ombudsman	7	-
Of (e), No of complaints resolved in favour of the NBFC from office of Ombudsman	7	-
Of (e), No of complaints resolved through Conciliation/Mediation/advisories issued by office of Ombudsman	-	-
(f) No. of awards unimplemented with in the Stipulated time ( other than those appealed)	-	-

### 56.21 - Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>31-Mar-25</b>					
Updation of Repayment record	1	826		1	3
Updation/dispute on data(CIR)	16	225		10	
Insurance claim	5	464		10	
Digital transaction		52			1
Service		23			

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>31-Mar-25</b>					
Others		325		6	
Fraud by staff		8			
Recovery practices	1	116		1	
<b>Total</b>	<b>23</b>	<b>2039</b>		<b>28</b>	<b>4</b>
<b>31-Mar-24</b>					
Updation of Repayment record	1	607		1	
Updation/dispute on data(CIR)	17	366		16	1
Insurance claim	10	264		5	1
Digital transaction		167			
Service		88			
Others		79			
Fraud by staff		9			
Recovery practices		119		1	
<b>Total</b>	<b>28</b>	<b>1699</b>		<b>23</b>	<b>2</b>

### 56.23 - Details of the Code on Social Security, 2020 ('CODE') relating to employee benefits

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 56.24 - Transactions with non-executive directors

Name of non-executive director	As at 31 March 2025	As at 31 March 2024
Mr Yashvant Malhotra	2.45	4.36
Mr Sandeep Phanasgaonkar	6.00	6.27
Mr Diwakar Pundir	5.45	6.54
	<b>13.90</b>	<b>17.17</b>

### 56.25 - Postponement of revenue recognition

There is no significant uncertainty which requires postponement of revenue recognition as at March 31, 2025 and March 31, 2024.

### 56.26 - Details of non-performing financial assets purchased/sold

The Company has not sold any non performing financial asset during 2024-25 and 2023-24.

### 56.27 - Value of imports calculated on CIF basis

The Company has not imported any goods therefore value of import on CIF basis is Nil. (As on March 31, 2024 – Nil).

**56.28** - There are no significant subsequent events that have occurred after the reporting period till the date of approval of these financial statements.

### 56.29 - Intra Group Exposure

The company does not have any Intragroup Exposures for the year ended March 31, 2025 and March 31, 2024.

### 56.30 - Loans to directors, senior officers and relatives of directors

The Company has not provided any loans to directors, senior officers and relatives of directors during the year ended March 31, 2025 and March 31, 2024

### 56.31 - Divergence in Asset Classification and Provisioning

RBI vide its circular RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 has directed NBFCs shall make suitable disclosures, if either or both of the following conditions are satisfied:-

- (a) the additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period, or
- (b) the additional Gross NPAs identified by RBI/NBH exceeds 5 percent of the reported Gross NPAs for the reference period.

No inspection conducted by the RBI during the financial year ended March 31, 2025 and March 31, 2024.

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

### 56.32 - Disclosure on Modified Opinion

The auditor have expressed an unmodified opinion for year ended March 31, 2025 & March 31, 2024.

### 56.33 - Sectoral exposure (Own and Managed)

Sector	FY 2024-2025		
	Total Exposure	Gross NPAs	% of Gross NPA to Total Exposure
(a) Agriculture and allied activities	60,510.09	49.63	0.08%
(b) Industry	-	-	-
(c) Services	16,612.61	-	-
(d) Personal Loans	-	-	-
(e) Others			
-Trade	12,096.62	-	-
-Unsecured loans	4,405.57	-	-
-MSME	1,487.21	14.66	0.99%

Sector	FY 2023-2024		
	Total Exposure	Gross NPAs	% of Gross NPA to Total Exposure
(a) Agriculture and allied activities	80,646.92	1,363.14	1.69%
(b) Industry	-	-	-
(c) Services	3,372.91	8.66	0.26%
(d) Personal Loans	-	-	-
(e) Others			
-Trade	11,056.23	46.32	0.42%
-Unsecured loans	5,122.56	23.08	0.45%
-MSME	426.04	-	-

### 56.34 - Net Profit or Loss for the year, prior period items and changes in accounting policies:

The company has adopted Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2024 and effective date of the transition is April 1, 2023. Such transition has been carried out from the erstwhile Accounting Standards under the Act, read with relevant rules issued there under and guidelines issued by Reserve Bank of India ('RBI') (collectively referred as "the previous GAAP"). Accordingly the impact of transition has been recorded in the opening reserves as at April 1, 2023. Also, the company has taken all the impact of prior period items during the year.

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

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### 56.35 - Additional disclosures pursuant to Annexure VIII of Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

Liabilities side	As at 31st March, 2024		As at 01 April, 2023	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
<b>(1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:</b>				
(a) Debentures (other than falling within the meaning of public deposits)				
Secured	12,774.87	-	9,832.99	-
Unsecured	798.09	-	600.00	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans (includes short-term borrowings and interest accrued)				
Secured	49,111.04	-	74,681.71	-
Unsecured	1.27	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other Loans (ECB)	6,240.72	-	1,856.44	-
<b>(2) Breakup of 1(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):</b>				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Assets side	As at 31 March 2025	As at 31 March 2024
<b>(3) Break up of Loans and Advances:</b>		
a) Secured, gross	1,487.21	426.04
b) Unsecured, gross	69,215.73	94,052.43
<b>Total</b>	<b>70,702.94</b>	<b>94,478.47</b>
<b>(4) Break up of Leased Assets</b>		
<b>(i) Lease assets including lease rentals under sundry debtors:</b>		
(a) Finance lease	-	-
(b) Operating lease	-	-
<b>(ii) Stock on hire including hire charges under sundry debtors:</b>		
(a) Assets on hire	-	-
(b) Repossessed asset	-	-
<b>(iii) Other loans counting towards asset financing activities</b>		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
<b>(5) Breakup of investments (long-term unquoted equity)</b>		
<b>Current Investments</b>		
<b>1. Quoted</b>		
(I) Shares	-	-
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
<b>2. Unquoted</b>		
(I) Shares	-	-
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
<b>Long Term investments :</b>		
<b>1. Quoted</b>		
(I) Shares	-	-
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

Assets side	As at 31 March 2025	As at 31 March 2024
<b>2. Unquoted</b>	-	-
(I) Shares	-	-
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-

### (6) Borrower group-wise classification of assets financed as in (3) and (4)

Category	Net of provision as at 31 March 2025		
	Secured	Secured	Secured
<b>1. Related parties</b>			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) other related parties	-	-	-
<b>2. Other than related parties</b>	1,461.01	67,523.05	68,984.06
<b>Total</b>	<b>1,461.01</b>	<b>67,523.05</b>	<b>68,984.06</b>
Category	Net of provision as at 31 March 2024		
	Secured	Secured	Secured
<b>1. Related parties</b>			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) other related parties	-	-	-
<b>2. Other than related parties</b>	425.19	92,295.12	92,720.31
<b>Total</b>	<b>425.19</b>	<b>92,295.12</b>	<b>92,720.31</b>

### (7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

	For the year ended 31st March, 2025		For the year ended 31st March, 2024	
	Market value / Breakup or fair value or NAV	Book value (Net of Provisions)	Market value / Breakup or fair value or NAV	Book value (Net of Provisions)
1. Related parties	-	-	-	-
2. Other than related parties	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Sindhuja Microcredit Private Limited

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Notes to financial statements for the year ended 31 March 2025

(All amounts in INR Lakhs, unless otherwise stated)

(8) Other information	As at 31 March 2025	As at 31 March 2024
<b>(i) Gross Non-Performing Assets</b>		
(a) Related parties	-	-
(b) Other than related parties	64.29	1,441.20
<b>(ii) Net Non-Performing Assets</b>		
(a) Related parties	-	-
(b) Other than related parties	15.30	167.96
<b>(iii) Assets acquired on satisfaction of debt</b>	-	-

### Notes:

1 - As defined in paragraph 5.1.26 of the RBI NBFC direction

2 - Provisioning norms shall be applicable as prescribed in these Directions.

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

### 56.36 - Details of financing of parent company products

The Company doesn't have parent Company, hence this clause is not applicable.

### 56.37 - Transferred financial asset that are not derecognized in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
<b>Securitisations</b>			
Carrying amount of the transferred assets (held as collateral)	-	-	-
Carrying amount of associated liabilities	-	-	-

**58 -** The company being NBFC-MFI needs to maintain not less than 75% of its Total assets in the nature of "Microfinance loans" as defined under RBI Directions, 2022 as per para 3.1 of the master Direction-NBFC-Systemically important Non- deposit taking company and deposit taking company (Reserve Bank) Directions 2016 updated as on Dec 29, 2022. As on March 31, 2025, the company's qualifying assets were 69.65% (approx.) (March 31, 2024 was 77.11% and April 01, 2023 was 79.56%) only. Although company has written a letter to RBI dated April 30, 2025 informing the circumstances under which this breach occurred and seeking time to cure this breach.

### 59 - Transferred financial asset that are not derecognized in their entirety

The Company has assigned loans (earlier measured at amortized cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% of the assets transferred to the buyer, the assets have been de-recognized from the Company's Balance Sheet. The table below summarizes the carrying amount of the derecognised financial assets:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Direct Assignment</b>		
Carrying amount of transferred assets measured at amortised cost	610.08	6,822.78
Carrying amount of exposures retained by the Company at amortised cost	61.01	682.28

## Sindhuja Microcredit Private Limited

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### 60 - Instances of breach of covenant of loan availed or debt securities issued

Breach of covenant	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Number of instances	15.00	-	-
Amount involved (INR in Lakhs)	26,482.00	-	-

### 61 - There are no amount which are required to be transferred to the investor educational and protection fund by the Company as at March 31, 2025, and March 31, 2024 and April 01, 2023.

As per our attached report of even date

For S S Kothari Mehta & Co. LLP  
Chartered Accountants  
Firm Registration No. 000756N / N500441

For and on behalf of the Board of Directors  
Sindhuja Microcredit Private Limited

**Vijay Kumar**  
Partner  
Membership No : 092671

**Abhisheka Kumar**  
Managing Director  
DIN: 02972579

**Malkit Singh Didyala**  
Whole Time Director  
DIN: 07957488

**Pankaj Kumar Sinha**  
Company Secretary  
Membership No : 021971

Place : New Delhi  
Date: June 02, 2025

Place : Noida  
Date: June 02, 2025

Place : Noida  
Date: June 02, 2025



**SINDHUJA MICROCREDIT PVT LTD**

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