



INDEPENDENT AUDITOR'S REPORT

To the Members of Sindhuja Microcredit Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sindhuja Microcredit Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial



Sindhuja Microcredit Private Limited
(Formerly known as Sindhuja Fintech Private Limited)
Independent Auditor's Report (continued)

Auditor's Responsibility (continued)

statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2019, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



**Sindhuja Microcredit Private Limited
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Independent Auditor's Report (continued)**

Report on Other Legal and Regulatory Requirements (continued)

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for Krishna Anurag & company

Chartered Accountants

ICAI Firm Registration No. 010146

K. K. Tiwari



Krishna Kumar Tiwari

Partner

Membership No: 078988

Place: Varanasi

Date: 19th April 2019

Sindhuja Microcredit Private Limited
(Formerly known as Sindhuja Fintech Private Limited)
Annexure I to the Independent Auditor's Report

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Sindhuja Microcredit Private Limited as at and for the year ended March 31, 2019

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.
- (ii) The Company's business does not involve inventories. Accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3 (vi) of the Order are not applicable to the Company.
 - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, cess and other statutory dues applicable to it.
 - (a) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax,



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Annexure I to the Independent Auditor's Report (continued)

service tax, cess and other statutory dues were outstanding, at the year-end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, Goods & Services Tax and cess which have not been deposited on account of any dispute.

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

- (vii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (viii) According to the information and explanation given by the management, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.

Further, money raised by the Company by way of term loans were applied for the purpose for which they were raised, though idle/ surplus were gainfully invested in fixed deposits/ liquid assets funds, pending for the purpose for which they were raised/ utilised

- (ix) The Company been a private Company, the provisions of section 197 read with Schedule V of the Act is not applicable and hence not commented upon.
- (x) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xi) According to the information and explanations given by the management, transactions with related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xii) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of equity shares and Compulsorily Convertible Debenture, issued during the year. According to the information and explanations given by the management, we



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Annexure I to the Independent Auditor's Report (continued)

report that the amounts raised, have been used for the purposes for which the funds were raised.

- (xiii) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xiv) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934 as "Non Banking Finance Company-Micro Finance Institution"

for Krishna Anurag & company

Chartered Accountants

ICAI Firm Registration No. 010146CG

K. Anurag



Krishna Kumar Tiwari

Partner

Membership No: 078988

Place: Varanasi

Date: 19th April 2019

**Sindhuja Microcredit Private Limited
(Formerly known as Sindhuja Fintech Private Limited)
Annexure 2 to the Independent Auditor's Report**

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Sindhuja Microcredit Private Limited as at and for the year ended March 31, 2018

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

We have audited the internal financial controls over financial reporting of Sindhuja Microcredit Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the



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Annexure 2 to the Independent Auditor's Report (continued)

auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Sindhuja Microcredit Private Limited
(Formerly known as Sindhuja Fintech Private Limited)
Annexure 2 to the Independent Auditor's Report (continued)

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for Krishna Anurag & company

Chartered Accountants

ICAI Firm Registration No. 010146C



Krishna Kumar Tiwari

Partner

Membership No: 078988



Place: Varanasi

Date: 19th April 2019

Sindhuja Microcredit Private Limited
(Formerly Sindhuja Fintech Private Limited)

Balance Sheet as at 31 March 2019

(All amounts in Indian rupees, except share data and where otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	73,884,000	58,941,000
Reserves and surplus	2.2	3,822,216	21,181,679
		<u>77,706,216</u>	<u>80,122,679</u>
Share Application Money pending allotment			
			1,150,000
Non-current liabilities			
Long-term borrowings	2.3	205,572,155	
Other long-term liabilities	2.4	59,996,600	
Long-term provisions	2.5	649,991	
		<u>266,218,746</u>	<u>1,150,000</u>
Current liabilities			
Short-term borrowings	2.6	20,025,236	
Other current liabilities	2.7	225,988,930	837,260
Short-term provisions	2.8	2,111,461	
		<u>248,125,626</u>	<u>837,260</u>
Total		<u>592,050,588</u>	<u>82,109,939</u>
ASSETS			
Non current assets			
Fixed assets	2.9		
(i) Tangible assets		5,265,764	119,893
(ii) Intangible assets			
Deferred tax assets, net	2.24		
Gross loan portfolio	2.10	94,165,328	
Less : Managed portfolio		29,166,242	
Loan portfolio		<u>64,999,086</u>	
Long-term loans and advances	2.11	64,999,086	
Other non-current assets	2.12	15,092,120	21,001
		<u>85,356,969</u>	<u>140,893</u>
Current assets			
Current investments	2.13	19,000,000	
Trade receivables	2.14		
Cash and bank balances	2.15	266,120,309	81,358,847
Gross loan portfolio	2.10	519,771,329	
Less : Managed portfolio		308,625,228	
Loan portfolio		<u>211,146,101</u>	
Short-term loans and advances	2.16	3,168,157	
Other current assets	2.17	7,259,051	610,199
		<u>506,693,618</u>	<u>81,969,046</u>
Total		<u>592,050,588</u>	<u>82,109,939</u>

Significant accounting policies 1
Notes to the financial statements 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

for **KRISHNA ANURAG & CO.**

Chartered Accountants

Firm Registration no. 0101460

for Sindhuja Microcredit Private Limited

Krishna Kumar Tiwary
Partner
Membership No. 078988



Abhisheka Kumar

Abhisheka Kumar
Managing Director
DIN : 02972579

Pankaj Kumar Sinha
Company Secretary
Memb. No. : 021971

Place: Noida
Date: 19-04-2019

Mallik Singh Didiyala

Mallik Singh Didiyala
Whole Time Director
DIN : 07957488

Place: Varanasi
Date: 19-04-2019



Sindhuja Microcredit Private Limited

(Formerly Sindhuja Fintech Private Limited)

Statement of Profit and Loss for the year ended 31 March 2019

(All amounts in Indian rupees, except share data and where otherwise stated)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	2.18	26,763,050	
Other income	2.19	7,354,673	111,712
Total revenue		34,117,723	111,712
Expenses			
Operating expenses	2.20	17,662,056	336,987
Employee benefits expenses	2.21	28,405,166	
Finance costs	2.22	14,290,332	
Depreciation and amortisation expense	2.9	760,015	8,047
Total expense		61,117,568	345,034
Profit before tax		(26,999,845)	(233,322)
Tax expenses:			
-Current tax			
-Deferred tax expense/(benefit)	2.24		
Profit after tax		(26,999,845)	(233,322)
Earnings per equity share			
[Nominal value per share Rs.10 (previous year: Rs.10)]	2.25		
Basic		-3.91	
Diluted		-3.91	

Significant accounting policies 1

Notes to the financial statements 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

for **KRISHNA ANURAG & CO.**

Chartered Accountants

Firm Registration no. 010146C

for **Sindhuja Microcredit Private Limited**

Krishna Kumar Tiwary
Partner
Membership No. 078988



Abhisheka Kumar

Abhisheka Kumar
Managing Director
DIN : 02972579

Mallik Singh Didyala

Mallik Singh Didyala
Whole Time Director
DIN : 07957488

Pankaj
Pankaj Kumar Sinha
Company Secretary
Memb. No. : 021971

Place: Varanasi
Date: 19-04-2019

Place: Noida
Date: 19-04-2019



Sindhuja Microcredit Private Limited
(Formerly Sindhuja Fintech Private Limited)

Cash Flow Statement for the year ended 31 March 2019

(All amounts in Indian rupees, except share data and where otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flows from operating activities		
Profit before tax	(26,999,845)	(233,322)
Adjustments :		
Depreciation and amortisation expense	760,015	8,047
Provisions on loan portfolio	2,761,452	
Operating cash flow before working capital changes	(23,478,379)	(225,275)
Increase in loan portfolio	(276,145,187)	
Increase in long term loans and advances		
Increase in short term loans and advances	(3,168,157)	
Increase in other assets	(7,126,339.78)	(132,711)
Increase in other current liabilities and provisions	245,176,905	837,260
Cash used by operations	(64,741,157)	479,274
Income taxes paid, net		
Net cash used by operating activities (A)	(64,741,157)	479,274
Cash flow from investing activities		
Purchase of fixed assets	(5,905,886)	(127,940)
Purchase of mutual funds units	(19,000,000)	
Other non current assets	(14,493,091.89)	(599,028)
Dividend received		
Investment in long term deposits with maturity of more than three months		(50,000,000)
Net cash used by investing activities (B)	(39,398,978)	(50,726,968)
Cash flow from financing activities		
Proceeds from issuance of share capital, net	23,433,383	81,506,000
Proceeds from long term borrowings, net	265,568,755	
Proceeds from/(repayment of) short term borrowings, net		
Net cash provided by financing activities (C)	289,002,138	81,506,000
Net increase in cash and cash equivalents (A + B + C)	184,862,002	31,258,306
Cash and cash equivalents at the beginning of the year	31,258,306	-
Cash and cash equivalents at the end of the year	216,120,309	31,258,306
Note:		
1. Cash and cash equivalents comprise: (Note: 2.15)		
	31-Mar-19	31 March 2018
Cash in hand	51,670	-
Balances with banks		
- in current accounts	30,568,639	31,258,306
- in deposit accounts	185,000,000	-
	216,120,309	31,258,306

As per our report of even date attached
for **KRISHNA ANURAG & CO.**
Chartered Accountants
Firm Registration no. 010146C

Krishna Kumar Tiwary
Partner
Membership No. 078988



for Sindhuja Microcredit Private Limited

Abhisheka Kumar

Abhisheka Kumar
Managing Director
DIN : 02972579

Malkit Singh Didiyala

Malkit Singh Didiyala
Whole Time Director
DIN : 07957488

Pankaj
Pankaj Kumar Sinha
Company Secretary
Memb. No. : 021971

Place: Noida
Date: 19-04-2019

Place: Varanasi
Date: 19-04-2019



Sindhuj Microcredit Private Limited

(Formerly Sindhuj Finance Private Limited)

Notes to the financial statements for the year ended 31 March 2019 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

	As at 31 March 2019	As at 31 March 2018
2.1 Share capital		
Authorised		
Equity shares		
1,60,00,000 (Previous year: 80,00,000) Equity shares of Rs. 10 each	160,000,000	80,000,000
Issued, subscribed and paid-up		
Equity shares		
73,88,400(Previous year 58,94,100) equity shares of Rs. 10 each, fully paid up	73,884,000	58,941,000
	<u>73,884,000</u>	<u>58,941,000</u>

(a) Reconciliation of the number of shares outstanding is set out below:

Equity shares

Particulars	Period ended 31st March, 2019		Year ended 31 March, 2018	
	No. of Shares held	Amount (Rs.)	No. of Shares held	Amount (Rs.)
At the beginning of the reporting year				
Fully paid-up equity shares	5,894,100	58,941,000	-	-
Partly paid-up shares	-	-	-	-
Partly paid-up shares	-	-	-	-
Issued & Called in during the year				
Fully paid-up equity shares	1,494,300	14,943,000	5,894,100	58,941,000
Partly paid-up shares	-	-	-	-
At the close of the reporting year	7,388,400	73,884,000	5,894,100	58,941,000

SHARE CAPITAL

Details of equity shares held by each shareholder holding more than 5% shares and percentage of shareholding as at March 31, 2019 has been calculated on the basis of paid-up value of shares.

Class of shares / Name of shareholder	Period ended 31st March, 2019		Year ended 31 March, 2018	
	No. of Shares held	% age of shareholding	No. of Shares held	% age of shareholding
Mr. Abhisheka Kumar	2,002,600	27.1%	1,602,600	27.2%
Mr. Malkit Singh Didiyala	1,360,000	18.4%	1,260,000	21.4%
Mr. Gyanendra Mishra	500,000	6.8%	500,000	8.5%
Mr. Diwakar Pundir	500,000	6.8%	500,000	8.5%
Mr. Suhas Narayan Sahakari	500,000	6.8%	500,000	8.5%
	<u>4,862,600</u>	<u>65.80%</u>	<u>4,362,600</u>	<u>74.10%</u>

(b) Rights, preferences and restrictions attached to shares

Equity shares

The Company has single class equity shares having a par value of Rs. 10 per equity share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets.

(c) Terms of Convertible Debenture : Refer Notes 2.4



Sindhuja Microcredit Private Limited
(Formerly Sindhuja Fintech Private Limited)
Notes to the financial statements for the year ended 31 March 2019 (continued)
(All amounts in Indian rupees, except share data and where otherwise stated)

	As at 31 March 2019	As at 31 March 2018
2.2 Reserves and surplus		
Securities premium account		
Balance as at the beginning of the year	21,415,000	21,415,000
Add: On issue of shares during the year	9,640,383	-
Balance as at the end of the year (A)	<u>31,055,383</u>	<u>21,415,000</u>
Statutory reserve (created under Section 45-1C of RBI Act, 1934)		
Balance as at the beginning of the year	-	-
Add: Transferred from surplus	-	-
Balance as at the end of the year (B)	<u>-</u>	<u>-</u>
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	(233,322)	(233,322)
Add: Profit for the year	(26,999,845)	(233,322)
Less: Amount transferred to statutory reserve (created under Section 45-1C of RBI Act, 1934)	-	-
Balance as at the end of the year (C)	<u>(27,233,167)</u>	<u>(233,322)</u>
Total (A+B+C)	<u><u>3,822,216</u></u>	<u><u>21,181,678</u></u>
2.3 Long-term borrowings*		
Secured		
Term Loans		
From banks	-	-
From financial institution	205,572,155	-
From others	-	-
	<u>205,572,155</u>	<u>-</u>
2.4 Unsecured		
Debentures		
^ 599,966 (previous year: nil) 12% mandatorily and fully convertible debentures	59,996,600	-
	<u>265,568,755</u>	<u>-</u>
<p>^ The Company has issued 599,966 12% mandatorily and fully convertible debentures of Rs. 100 each at par on 29 March 2019. Each Series A CCD shall convert into 2.956 (two point nine five six) Equity Shares per the terms of Subscription Agreement dated 14 March 2019 on reaching loan portfolio of Rs 30 crores . These debentures are mandatorily convertible after the expiry of 10 years from 29 March 2019. However, debenture holders have the right to exercise the conversion option by issuing a written notice to the Company before the expiry of 10 years or mandatory conversion period.</p>		
2.5 Long-term provisions		
Contingent provision against standard assets (refer note 2.23)	649,991	-
Provision on non performing assets (refer note 2.23)	-	-
	<u>649,991</u>	<u>-</u>
2.6 Short-term borrowings		
Secured		
Overdraft from bank ^	20,025,236	-
Cash credit from others	-	-
	<u>20,025,236</u>	<u>-</u>



^ Overdraft facility is fully secured by way of fixed deposits pledged amounting to Rs. 5,00,00,000. Overdraft carry interest rate of 7.7% and repayable on 21.03.2020 which is subject to renewal.

2.7 Other current liabilities

Current maturities of long-term debt

Secured

From banks

From financial institutions

198,651,011

198,651,011

Unsecured

Loan from financial institution

Interest accrued but not due on borrowings

1,876,932

Payable on managed portfolio

12,370,571

Statutory liabilities

1,974,913

Employee benefits payable

642,595

Security deposit from staff

594,000

insurance payable

3,466,312

Expenses payable

6,209,572

825,460

Unidentified Credit

5,024

Audit Fees Payable

198,000

11,800

225,988,930

837,260

2.8 Short-term provisions

Provision for income tax (net of advance tax of Rs.)

Provision for employee benefits

- Compensated absences

Contingent provision against standard assets (refer note 2.23)

2,111,461

Provision on non performing assets (refer note 2.23)

2,111,461

2.10 Loan portfolio

Gross loan portfolio outstanding at the end of year

613,936,656

Less : Managed portfolio outstanding at the end of the year

337,791,470

Total loan portfolio outstanding at the end of the year

276,145,187

Less: Non current portion of the loan portfolio

64,999,086

Current portion of the loan portfolio

211,146,101

Of the above total loan portfolio:

Loan portfolio (considered good)

613,936,656

Loan portfolio (considered doubtful)

613,936,656



2.11 Long-term loans and advances (Unsecured, considered good)	64,999,086	
Prepaid expenses		
	<u>64,999,086</u>	<u>-</u>
2.12 Other non-current assets (unsecured, considered good)		
Long term bank deposits with maturity of more than 12 months*	1,586,500	
Security deposits towards borrowings**	11,315,934	
Interest accrued on fixed deposits & Security Deposit	100,519	
Unamortised processing fee on borrowings	2,089,167	
Security deposit for rented property		21,000
	<u>15,092,120</u>	<u>21,000</u>
*Includes deposits of Rs. 10,00,000 (previous year : NIL) maintained as cash collateral against term loans		
**Represents deposits maintained as cash collateral against term loans availed and managed Portfolio		
2.13 Current investments		
Investment in mutual fund units (Quoted, valued at cost or fair market value whichever is lower)	19,000,000	
7393 (previous year: NIL) units of HDFC Mutual Fund, fully paid-up		
	<u>19,000,000</u>	<u>-</u>
2.14 Trade receivables (Unsecured and considered good)		
Receivables outstanding for a period exceeding six months from the date they became due for payment.	-	
Others debts	-	
	<u>-</u>	<u>-</u>
2.15 Cash and bank balances		
Cash and cash equivalents		
Cash in hand	51,670	
Balances with banks		
- in current accounts	30,568,639	31,258,306
- in deposit accounts (with less than three months maturity)*	185,500,000	
	<u>216,120,309</u>	<u>31,258,306</u>
Other bank balances		
Long term deposits with maturity more than 3 months but less than 12 months	50,000,000	50,100,541
	<u>266,120,309</u>	<u>81,358,847</u>
*Includes deposits of Rs. 2,45,00,000 (previous year: NIL) maintained as cash collateral against managed Portfolio		
2.16 Short-term loans and advances (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	193,354	
Rent advance	827,561	
Advance Tax (net of provision for tax)	15,687	
Unamortised processing fee	2,131,556	
	<u>3,168,157</u>	<u>-</u>
2.17 Other current assets		
Interest accrued but not due on loans Own	1,420,037	
Interest accrued but not due on loans Managed	1,811,368	
Interest accrued on fixed deposits	1,063,913	
Other Current Assets	2,963,733	610,199
	<u>7,259,051</u>	<u>610,199</u>



Sindhuj Microcredit Private Limited

(Formerly Sindhuj FinTech Private Limited)

Notes to the financial statements for the year ended 31 March 2019 (continued)
(All amounts in Indian rupees, except share data and where otherwise stated)

	For the year ended 31 March 2019	For the year ended 31 March 2018
2.18 Revenue from operations		
Interest income on loan portfolio	8,082,533	-
Income from business correspondence portfolio	15,796,445	-
Processing fee on loan portfolio	2,884,072	-
	<u>26,763,050</u>	<u>-</u>
2.19 Other income		
Interest on fixed deposits	5,940,540	-
Dividend income from current investments	327,179	-
Miscellaneous income	1,086,953	111,712
	<u>7,354,673</u>	<u>111,712</u>
2.20 Operating expenses		
Rent	3,003,274	-
Legal and professional charges	2,558,087	-
Travelling expenses	1,268,286	141,807
Printing and stationery	673,390	1,150
Communication expenses	754,903	-
Credit bureau expenses	141,627	-
Power and fuel	290,043	3,065
Bank Account Verification Charges-Fingpay	93,377	-
Contingent provision against standard assets	2,761,452	-
Provision on non performing assets	-	-
Software Exp	4,058,452	-
Auditors remuneration	218,000	11,800
Repairs and maintenance	467,799	-
Subscription and membership expenses	101,000	-
Loss on sale of assets	38,326	-
Miscellaneous expenses	1,234,040	179,165
	<u>17,662,056</u>	<u>336,987</u>
2.21 Employee benefits expenses		
Salaries, wages and bonus	26,936,611	-
Contribution to provident and other funds	1,468,555	-
Expense on employee stock options	-	-
Staff welfare expenses	-	-
	<u>28,405,166</u>	<u>-</u>
2.22 Finance costs		
Interest on borrowings	5,974,696	-
Other borrowing costs	357,278	-
Bank Charges	62,097	-
Interest on Compulsorily Convertible Debentures	59,175	-
Equity Raising Exp	7,837,086	-
	<u>14,290,332</u>	<u>-</u>



Notes forming part of the financial statements

(Formerly Sindhuja Fintech Private Limited)

Sindhuja Microcredit Private Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.9 Fixed Assets

S. N.	Particulars	Gross block				Accumulated depreciation and Impairment			Net Block		
		Balance as at 1 April, 2018	Addition during the year	Disposals / Adjustments	Balance as at 31 st Mar -19	Balance as at 1 April, 2018	Depreciation / amortisation expense for the year	Adjustments / Disposals	Balance as at 31- Mar 2019	WDV as on 31- Mar -2019	WDV as on 31.03.2018
A. Tangible Assets											
a)	Furniture and Fixtures	-	1,166,415	-	1,166,415	-	58,549	-	58,549	1,107,866	-
b)	Hardware-Tablet & Mobile	-	1,321,070	-	1,321,070	-	182,433	-	182,433	1,138,637	-
c)	Electrical Installations and Other Equipment	-	725,641	-	725,641	-	39,602	-	39,602	686,039	-
d)	Computers	119,893	1,393,381	-	1,513,274	8,047	324,659	-	332,706	1,180,568	119,893
e)	Motor Vehicles	-	1,299,378	-	1,299,378	-	146,724	-	146,724	1,152,654	-
	Total Tangible Assets (A)	119,893	5,905,885	-	6,025,778	8,047	751,968	-	760,015	5,265,764	119,893
B. Intangible Assets											
	Total Intangible Assets (B)	-	-	-	-	-	-	-	-	-	-
	Total Fixed Assets (A+B)	119,893	5,905,885	-	6,025,778	8,047	751,968	-	760,015	5,265,764	119,893



Notes to the Financial Statements as at and for the year ended 31st March, 2019

Company overview

Sindhuja Microcredit Private Limited ('the Company') is a private company incorporated in India. The Company is registered as a non-deposit taking Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and has got classified as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with effect from September 11, 2018. The Company is engaged primarily in providing micro finance services to women in rural areas of India, who are enrolled as members and organized as Joint Liability Group (JLG).

1) Significant accounting policies

a) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 ("the Act"), read together with Rule 7 of the Companies (Account) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016, provisions of the RBI applicable as per Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Notification No. DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016, as amended from time to time ("the NBFC Master Directions, 2016") and other applicable clarifications provided by the RBI. The financial statements have been prepared under the historical cost convention on an accrual basis except interest on non-performing loans that are recognized on realization. The accounting policies applied by the Company are consistent with those applied in the previous year.

b) Use of estimates

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

c) Classification of Current and Non-Current

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

Assets

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

1. It is expected to be realized in, or is intended for sale or consumption in the company's normal operating cycle;



Sindhuja Microcredit Private Limited

(Formerly known as Sindhuja Fintech Private Limited)

Notes to the financial statements for the year ended 31st March 2019 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2. It is held primarily for the purpose of being traded;
3. It is expected to be realized within 12 months after the reporting date;
4. It is cash or cash equivalent unless it is restricted from being exchange or used to settle a liability for at least 12 months after the reporting date;
5. Current asset includes the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

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

1. It is expected to be settled within company's normal operating cycle;
2. It is held primarily for the purpose of being traded;
3. It is due to be settled within 12 months after the reporting date or
4. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

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

Operating cycle

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

d) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i. Interest income on portfolio loans is recognized in the Statement of Profit and Loss on a time proportion basis taking into account the amount outstanding and the rates applicable, except in the case of non-performing assets ("NPA's") where it is recognized, upon realization, as per the relevant prudential norms prescribed by RBI. Any such income recognized before the asset became non-performing and remaining unrealized are reversed.
- ii. Interest income on deposits with banks is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iii. Processing fees are recognized as income upfront when it becomes due.
- iv. Income from services rendered in connection with loans given on behalf of Financial Institution to joint liability groups organized / monitored by the



Sindhuja Microcredit Private Limited

(Formerly known as Sindhuja Fintech Private Limited)

Notes to the financial statements for the year ended 31st March 2019 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

Company are recognized on accrual basis as and when such services are rendered.

- v. All other income is recognized on an accrual basis.

e) Fixed Assets

i) Tangible assets

All tangible fixed assets are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

ii) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

f) Depreciation

Depreciation is provided on Written Down Value (WDV) method as per the life prescribed under Schedule II of the Companies Act, 2013 which is in accordance with management estimates of the useful life of the underlying assets. Software are amortized over a period of three years.

g) Impairment of fixed assets

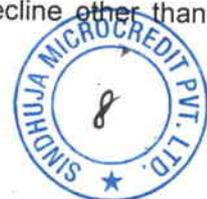
The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

h) Investments

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

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



Sindhuja Microcredit Private Limited

(Formerly known as Sindhuja Fintech Private Limited)

Notes to the financial statements for the year ended 31st March 2019 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

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

i) Borrowing costs

Borrowing costs includes interests which are recognized on time proportion basis taking into account the amount outstanding and the rate applicable on the borrowings. Processing fees and ancillary fees incurred for arrangement of borrowings from banks and financial institutions are amortized over the loan duration.

j) Foreign currency transactions

All transactions in foreign currency are recognized at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items are reported using the exchange rate prevailing at the close of the reporting year. Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognized as income or as expenses in the period in which they arise.

k) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable under the scheme. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Actuarial gains and losses for defined benefit plan are recognized in full in the year in which they occur in the statement of profit and loss. Accumulated leaves are provided for based on actuarial valuation made at the end of each year.

l) Income taxes

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing



Sindhuja Microcredit Private Limited

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Notes to the financial statements for the year ended 31st March 2019 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carried forward unabsorbed depreciation or tax losses, all deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax assets can be realized. At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available.

m) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

n) Provisions & Contingent Liabilities

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

A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.



o) Cash and cash equivalents

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

p) Classification of loan portfolio and provisioning policy

All loan exposures are classified as per RBI guidelines, into performing and non-performing assets ("NPA"). Further, NPAs are classified into sub-standard, doubtful and loss assets in accordance with the extant Master Circular No. DNBR (PD) CC.NO.047/03.10.119/2015-16 dated 1st July 2015 issued by RBI and Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 issue by RBI to the extent applicable.

The provisioning rated and classification criteria for NPAs, which are not lower than the rates prescribed in RBI guidelines, are as given below:

Asset Classification	Overdues	Provisioning policy
Standard – I	0 days	1%
Standard – II	1 to 60 days	10%
Standard – III	61to 90 days	20%
Sub-standard	91to180days	50%
Doubtful	180-365 days	100%
Loss	>365 days	Write off

q) Lease

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



Sindhuja Microcredit Private Limited
(Formerly known as Sindhuja Fintech Private Limited)
Notes to the financial statements for the year ended 31 March 2019 (continued)
(All amounts in Indian rupees, except share data and where otherwise stated)

2.23 Provision for/ write off of outstanding loan portfolio

Asset classification	As at 31 st March 2019		As at 31 st March 2018	
	Loan portfolio	Provision	Loan portfolio	Provision
Standard portfolio	27,61,45,187	27,61,451	NIL	NA
Sub Standard portfolio	NIL	0	NIL	NA
Doubtful portfolio	NIL	0	NIL	NA
Loss portfolio	NIL	0	NIL	NA
Total	27,61,45,187	27,61,451	NIL	NA

The movement in provision during the year is explained below:

Particulars	For the year ended 31 st March 2019			For the year ended 31 st March 2018		
	Standard portfolio	Sub-standard & Doubtful portfolio	Total	Standard portfolio	Sub-standard & Doubtful portfolio	Total
Opening	0	0	0	0	0	0
Additions/ reversals, net	27,61,451	0	27,61,451	0	0	0
Closing	27,61,451	0	27,61,451	0	0	0

2.23 Deferred tax assets / (liabilities), net

Particulars	As at 31 st March 2019	As at 31 st March 2018
Deferred tax liabilities comprise:		
Depreciation and amortization	-	-
Deferred tax liabilities		
Deferred tax assets comprise:		
Provision on standard assets	-	-
Depreciation and amortization	-	-
Deferred tax assets		
Deferred tax assets / (liabilities), net	-	-



Sindhuja Microcredit Private Limited
 (Formerly known as Sindhuja Fintech Private Limited)
 Notes to financial statements for the year ended 31 March 2019 (continued)
 (All amounts in Indian rupees, except share data and where otherwise stated)

2.24 Earnings per share

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
a) Basic		
Profit after tax	(3.91)	-
Weighted average number of equity shares outstanding during the year - Basic	(2,69,99,845)	-
	69,04,238	-
b) Diluted		
Adjusted net profit for the year		-
Weighted average number of equity shares outstanding during the year - Basic		-
Add: Weighted average number of potential equity shares on account of employee stock options		-
Weighted average number of equity shares outstanding during the year - Diluted		-
Earnings per share		
Basic - par value of Rs.10 each	(3.91)	-
Diluted - par value of Rs.10 each	(3.91)	-

The potential equity shares are anti-dilutive in nature as at 31st March, 2019 as it decreases loss per share from continuing ordinary activities. Hence the effect of these anti-dilutive potential equity shares is ignored while calculating earnings per share.

2.25 Employee benefit plans

a) Defined benefit plans

Gratuity: The Company is in process of making annual contribution to a Gratuity Fund. Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with the payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

Defined benefit obligation

Particulars	As at 31 st March 2019	As at 31 st March 2018
Opening defined benefit obligation		
Current service cost	2,19,166	-
Interest cost	NIL	-
Actuarial (gain)/loss	NIL	-
Benefits paid	NIL	-
Closing defined benefit obligation	2,19,166	-



Sindhuja Microcredit Private Limited
 (Formerly known as Sindhuja Fintech Private Limited)
 Notes to financial statements for the year ended 31 March 2019 (continued)
 (All amounts in Indian rupees, except share data and where otherwise stated)

Changes in the fair value of plan assets

Particulars	As at 31 st March 2019	As at 31 st March 2018
Value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Actuarial loss	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-
Amounts recognized in the balance sheet		
Projected benefit obligation at the end of the year	2,19,166	-
Fair value of plan assets at end of the year	-	-
Net liability	2,19,166	-

Expenses recognized in the Statement of Profit and Loss in Employee benefits expense

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Current service cost	2,19,166	-
Interest cost	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognized in the year	NIL	-
Total expenses	2,19,166	-

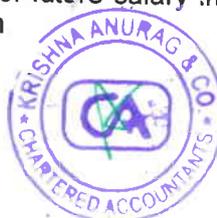
Assumptions:	2018-2019	2017-2018
Discount rate	7.5%	-
Expected return on plan assets	-	-
Salary escalation rate	10%	-

Category of plan assets

Particulars	As at 31 March 2019	As at 31 March 2018
Insurer managed funds	-	-

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion



Sindhuja Microcredit Private Limited.**(Formerly known as Sindhuja Fintech Private Limited)****Notes to financial statements for the year ended 31 March 2019 (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

2.26 Segmental reporting

a) Business Segment

The Company operated in a single reportable segment i.e. micro financing activities, which have similar risk and returns. Accordingly, there is no reportable segment to be disclosed as required by Accounting Standard 17 'Segment Reporting'.

b) Geographical segment:

During the year under report, the Company has engaged in its business primarily within India. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

2.27 Operating leases

Lease payments made under cancellable operating lease amounting to Rs. 30,03,274 (previous year: (NIL) disclosed as rent and the same have been recognized as an expense in the Statement of Profit and Loss. There are no subleases. Also, requirement of minimum lease payments does not arise as a Company do not have any non-cancellable operating leases.

2.28 Disclosures pertaining to securitization

A. As required in terms of circular RBI//2012-13/170DNBS. PD. No. 301/3,10.01/2012-13 dated 21 August 2012:

Particulars	Number / Amount in Rupees	
	31 st March 2019	31 st March 2018
1. Number of Special Purpose Vehicles (SPVs) sponsored by the Company for securitization/ bilateral transactions	-	-
2. Total amount of securitized assets as per books of the SPVs/assignees sponsored by the Company#	-	-
3. Total amount of exposures retained by the Company to comply with MRR as on the date of balance sheet		
a) Off-balance sheet exposures	-	-
* First loss	-	-
* Others	-	-
b) On-balance sheet exposures	-	-
* First loss	-	-
* Others	-	-
4. Amount of exposures to securitization transactions other than MRR		
a) Off-balance sheet exposures	-	-
i) Exposure to own securitizations		
* First loss	-	-
* loss	-	-
ii) Exposure to third party securitizations		
* First loss	-	-
* Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitizations		



Sindhuja Microcredit Private Limited
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 Notes to financial statements for the year ended 31 March 2019 (continued)
 (All amounts in Indian rupees, except share data and where otherwise stated)

Particulars	Number / Amount in Rupees	
	31 st March 2019	31 st March 2018
* First loss	-	-
* Others	-	-
ii) Exposure to third party securitizations		
* First loss	-	-
* Others	-	-

B. Following disclosures is made in accordance with RBI circular no DBOD.NO.BP.BC. 60/21.04.048/2005-06 dated 01 February 2006.

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Total number of loans securitized	-	-
Total book value of loans securitized	-	-
Book value of loan securitized including loans placed as collateral	-	-
Sale consideration	-	-
Gain on securitization (Net of expenses)	-	-
Outstanding credit enhancement	-	-

Also refer Note 2.25.

2.29 Contingent liabilities

The Company has entered into an Arrangement with Mas Financial Services Limited towards rendering of financial services and accordingly has given guarantees towards loans referred by the Company. Total guarantees given amount to 25,33,43,602 (Previous Year: NIL) towards the loans given based on the Company's reference and outstanding as at 31st March 2019 amounting to 33,77,91,470 (Previous Year: NIL). The guarantees are provided by way of corporate guarantees. Apart from corporate guarantees, there is also guarantees in the form of cash collateral.

2.30 Details of pending litigations

a) As at 31st March 2019

Particulars	Amount	Treatment in the financial statements
Proceedings by Company against theft	NIL	NA

b) As at 31st March 2018

Particulars	Amount	Treatment in the financial statements
Proceedings by Company against theft	NIL	NA



Sindhuja Microcredit Private Limited
(Formerly known as Sindhuja Fintech Private Limited)
Notes to financial statements for the year ended 31 March 2019 (continued)
(All amounts in Indian rupees, except share data and where otherwise stated)

2.31 Related party disclosure

a) Key Managerial Personnel

Sl. No.	Name	Designation
1.	Abhisheka Kumar	Managing Director
2.	Malkit Singh Didyala	Whole Time Director
3.	Pankaj Kumar Sinha	Company Secretary

b) Related party transactions

Sl. No.	Name of the related party	Nature of transaction	31 st March 2019		31 st March 2018	
			Transactions	Receivable/ (Payable)	Transactions	Receivable/ (Payable)
1	Abhisheka Kumar	Issue of equity shares	4,00,000	-	16,02,600	-
2	Abhisheka Kumar	Managerial Remuneration	30,00,000	-	NIL	-
3	Malkit Singh Didyala	Issue of equity shares	1,00,000	-	12,60,000	-
4	Malkit Singh Didyala	Managerial Remuneration	30,00,000	-	NIL	-
5	Pankaj Kumar Sinha	Managerial Remuneration	2,70,000*	-	NA	-

*with effect from 15th September, 2018

2.32 Terms of the secured / unsecured borrowings

A. Secured term loan (TL) from Banks#						
Nature of Facility	Amount outstanding as on 31 st March 2019		Amount outstanding as on 31 st March 2018		First Repayment date	Terms of repayment
	Current	Non-Current	Current	Non-Current		
TL 1	-	-	-	-	-	-
TL 2	-	-	-	-	-	-
Total (A)	-	-	-	-	-	-
B. Secured term loan (TL) from financial institutions						
TL 1	2,50,00,000	2,10,41,668	-	-	31 st Jan 2019	Monthly/24
TL 2	5,00,00,100	4,27,49,901	-	-	25 th Jan 2019	Monthly/24
TL 3	4,70,41,635	4,73,89,862	-	-	15 th Feb 2019	Monthly/24



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TL 4	4,39,45,042	5,60,54,958	-	-	5 th April 2019	Monthly/24
TL 5	2,09,86,652	2,90,13,348	-	-	1 st April 2019	Monthly/24
TL 6	1,16,77,582	83,22,418	-	-	15 th April 2019	Monthly/18
Total (B)	19,86,51,011	20,55,72,155				
C. Secured OD/CC from Banks						
OD-1	2,00,25,236	-	-	-	NA	NA
Total (C)	2,00,25,236	-	-	-	NA	NA
D. Unsecured loans from financial institutions (Sub-ordinated debt)						
TL 1	-	-	-	-	-	-
Total (D)	-	-	-	-	-	-
E. Secured term loan (TL) from others#						
TL 1	-	-	-	-	-	-
TL 2	-	-	-	-	-	-
Total (E)	-	-	-	-	-	-

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

F. Interest rates on the above debentures, term and other loans fall in between a minimum of 15.25% and a maximum of 15.75%.

G. Ratings assigned by credit rating agencies and migration of ratings

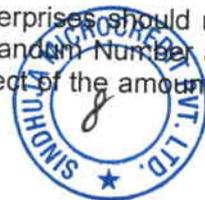
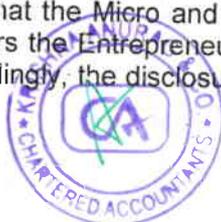
Particulars	ISIN	31 st March 2019	31 st March 2018
(a) MFI Grading		Not Graded	Not Graded
a. Non-Convertible Debentures *		NA	
b. Commercial Paper^		NA	NA
(b) Long Term Bank Loans*		NA	NA
(c) Securitization*		NA	

2.33 Auditor's remuneration (excluding GST)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Audit fees	200,000	10,000
Total	200,000	10,000

2.34 Amounts payable to Micro and Small Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable



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(All amounts in Indian rupees, except share data and where otherwise stated)

to such enterprises as at 31 March 2019 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise.	Nil	Nil

2.35 Investments

Sl. No.	Particulars	As at 31 st March 2019	As at 31 st March 2018
1)	Value of Investments		
(i)	Gross value of investments	1,90,00,000	NIL
(a)	In India	1,90,00,000	NIL
(b)	Outside India	NIL	NIL
(ii)	Provision for depreciation	NA	NIL
(a)	In India	NIL	NIL
(b)	Outside India	NA	NIL
(iii)	Net value of investments	1,90,00,000	NIL
(a)	In India	1,90,00,000	NIL
(b)	Outside India	NIL	NIL
2)	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	NIL	NIL
(ii)	Add: Provisions made during the year	NIL	NIL
(iii)	Less: Write-off/ write-back of excess provisions during the year	NIL	-
(iv)	Closing balance	NIL	-



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Notes to financial statements for the year ended 31 March 2019 (continued)
(All amounts in Indian rupees, except share data and where otherwise stated)

2.36 As required in terms of Reserve Bank of India guidelines

a) Capital to Risk Asset Ratio (CRAR)

Particulars	As at 31 March 2019	As at 31 March 2018
i) CRAR %	23.58%	NA
ii) CRAR – Tier I Capital (%)	12.72%	NA
iii) CRAR – Tier II Capital (%)	10.86%	NA

b) The Company has no direct exposure to real estate sector

Particulars	As at 31 March 2019	As at 31 March 2018
Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-

c) Maturity pattern of certain items of assets and liabilities:

(Amount in Rs lakh)

Particulars (2018-19)	1 day to 30/31 days (1 month)	Over 1 month to 2 month s	Over 2 month s to 3 month s	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
Borrowings	118	160.5	164.6	501.5	1241.7	2055.7	-	-
Advances	153.6	168.4	150.6	520.2	1118.7	650	-	-
Investments	190	-	-	-	-	-	-	-

Particulars (2017-18)	1 day to 30/31 days (1 month)	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
Borrowings	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-
Investments	-	-	-	-	500	-	-	-

d) Provision and contingency

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Provisions for depreciation on Investment	NIL	NIL
Provision towards NPA	NIL	NIL
Provision made towards Income tax	NIL	NIL
Provision for Standard Assets	27,61,451	NIL

e) Draw down from Reserves

There has been no draw down from reserves during the year ended 31st March 2019 (previous year. Nil)



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Notes to financial statements for the year ended 31 March 2019 (continued)
(All amounts in Indian rupees, except share data and where otherwise stated)

f) Concentration of Advances, Exposures and NPAs

(Amount in Rs. lakh)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Concentration of Advances		
Total advances to twenty largest borrowers	6.0	-
(%) of advances to twenty largest borrowers to total advances	0.21	-
Concentration of Exposures		
Total exposure to twenty largest borrowers/customers	6.0	-
(%) of exposure to twenty largest borrowers/customers to total exposure	0.21	-
Concentration of NPAs		
Total exposure to top four NPA accounts	NIL	-

g) Sector wise Non-Performing Assets (NPA)

Sl. No.	Sector	Percentage of NPAs to total advances in that sector	
		As at 31 st March 2019	As at 31 st March 2018
1.	Agriculture & allied activities	-	-
2.	MSME	-	-
3.	Corporate borrowers	-	-
4.	Services	-	-
5.	Unsecured personal loans	-	-
6.	Auto loans	-	-

h) Movement in Non-Performing Asset (NPA)

Particulars		For the year ended 31 st March 2019	For the year ended 31 st March 2018
i)	Net NPA to net advances percentage	NIL	-
ii)	Movement of NPAs (Gross)		
	a) Opening balance	NIL	-
	b) Additions during the year	NIL	-
	c) Reduction during the year	NIL	-
	d) Closing balance	NIL	-
iii)	Movement of net NPAs		
	a) Opening balance	NIL	-
	b) Additions during the year	NIL	-
	c) Reduction during the year	NIL	-
	d) Closing balance	NIL	-
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	NIL	-
	b) Provisions made during the year	NIL	-
	c) Write off/ write back of excess provisions	NIL	-
	d) Closing balance	NIL	-



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 (All amounts in Indian rupees, except share data and where otherwise stated)

i) Disclosure with respect to customer complaints

Sl. No.	Particulars	Number of complaints	
		For the year ended 31 st March 2019	For the year ended 31 st March 2018
1.	No. of complaints pending at the beginning of the year	NIL	NA
2.	No. of complaints received during the year	19	NA
3.	No. of complaints redressed during the year	19	NA
4.	No. of complaints pending at the end of the year	0	NA

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

The Company has not exceeded the prudential exposure limits during the financial year ended 31st March 2019 and 31st March 2018.

k) Registration obtained from other financial sector regulators

Sl. No.	Regulator	Registration No.	Date of Registration
1.	Ministry of Corporate Affairs	U55990UP2017PTC099006	1 st December 2017
2.	Reserve Bank of India	N-12.00469	11 th September 2018

l) Details of penalties imposed by RBI and other regulators

No penalties have been imposed by RBI and other regulators on the Company during the financial year ended 31st March 2019 and 31st March 2018.

m) Unsecured Advances

The Company has not given any unsecured advances against intangible securities such as charge over the rights, licenses, authority, etc. during the financial year ended 31st March 2019 and 31st March 2018.

n) Details of non-performing financial assets purchased / sold

The Company has not purchased/sold any non-performing financial assets during the financial year ended 31st March 2019 and 31st March 2018.



Sindhuja Microcredit Private Limited
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Notes to financial statements for the year ended 31 March 2019 (continued)
 (All amounts in Indian rupees, except share data and where otherwise stated)

o) Disclosure of frauds reported during the year ended 31 March 2018 vide DNBS. PD. CC No. 256/03.10.042/2011-12 dated 2 March 2012

During the year ended 31st March 2019 and 31st March 2018 - No fraud is reported involving staff, customers and staff and customers.

Particulars	Less than Rs. 1 Lakh		Rs. 1 Lakh to Rs. 5 Lakh		More than Rs. 5 Lakh	
	No. of accounts	Value (Rs.)	No. of accounts	Value (Rs.)	No. of accounts	Value (Rs.)
A) Person involved						
Staff	-	-	-	-	-	-
Customers	-	-	-	-	-	-
Staff and Customers	-	-	-	-	-	-
Total	-	-	-	-	-	-
B) Type of Fraud						
Misappropriation and Criminal Breach of Trust	-	-	-	-	-	-
Fraudulent Encashment/ manipulation of books of accounts or through fictitious accounts and conversion of property	-	-	-	-	-	-
Unauthorized credit facilities extended for reward or for illegal gratification	-	-	-	-	-	-
Negligence and cash shortages	-	-	-	-	-	-
Cheating and forgery	-	-	-	-	-	-
Irregularities in foreign exchange transactions	-	-	-	-	-	-
Any other type of fraud not coming under the specific heads as above	-	-	-	-	-	-
Total	NIL	NIL	NIL	NIL	NIL	NIL

During the year ended 31st March 2018

Particulars	Less than Rs. 1 Lakh		Rs. 1 Lakh to Rs. 5 Lakh		More than Rs. 5 Lakh	
	No. of accounts	Value (Rs.)	No. of accounts	Value (Rs.)	No. of accounts	Value (Rs.)
A) Person involved						
Staff			-	-	-	-
Customers			-	-	-	-
Staff and Customers			-	-	-	-
Total			-	-	-	-



Sindhuja Microcredit Private Limited
(Formerly known as Sindhuja Fintech Private Limited)
Notes to financial statements for the year ended 31 March 2019 (continued)
 (All amounts in Indian rupees, except share data and where otherwise stated)

Particulars	Less than Rs. 1 Lakh		Rs. 1 Lakh to Rs. 5 Lakh		More than Rs. 5 Lakh	
	No. of accounts	Value (Rs.)	No. of accounts	Value (Rs.)	No. of accounts	Value (Rs.)
B) Type of Fraud						
Misappropriation and Criminal Breach of Trust			-	-	-	-
Fraudulent Encashment/ manipulation of books of accounts or through fictitious accounts and conversion of property.			-	-	-	-
Unauthorised credit facilities extended for reward or for illegal gratification			-	-	-	-
Negligence and cash shortages			-	-	-	-
Cheating and forgery			-	-	-	-
Irregularities in foreign exchange transactions			-	-	-	-
Any other type of fraud not coming under the specific heads as above			-	-	-	-
Total	NIL	NIL	NIL	NIL	NIL	NIL

2.37 Foreign currency exposure hedged

Particulars	Purpose	As at 31 st March 2019		As at 31 st March 2018	
		Amount (in US\$)	Amount in INR	Amount (in US\$)	Amount (in INR)
Currency Swap	Full Hedge of external commercial borrowing	-	-	-	-

2.38 Derivative Instruments

Particulars	Purpose	As at 31 st March 2019		As at 31 st March 2018	
		Amount (in US\$)	Amount in INR	Amount (in US\$)	Amount (in INR)
Currency Swap	Full Hedge of external commercial borrowing	-	-	-	-

2.39 The Company has no exposure or transactions regarding overseas assets



Sindhuja Microcredit Private Limited
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Notes to financial statements for the year ended 31 March 2019 (continued)
 (All amounts in Indian rupees, except share data and where otherwise stated)

2.40 Disclosure pertaining to derivatives vide DNBR (PD) CC.No.053/03.10.119/2015-16 dated 1st July 2015

Particulars	As at 31 st March 2019	As at 31 st March 2018
i) The notional principal of swap agreements	-	-
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
iii) Collateral required by the Bank upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps	-	-
v) The fair value of the swap book	-	-

2.41 Previous year's figures have been regrouped / reclassified, where necessary, to conform to current year's classification.

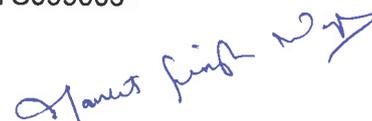
As per our Report of even date attached
for Krishna Anurag & company
 Chartered Accountants
 ICAI Firm Registration No. 010146C

for and on behalf of Board of Directors of
Sindhuja Microcredit Private Limited
 CIN:U65990UP202017PTC099006


Krishna Kumar Tiwari
 Partner
 Membership No: 078988




Abhisheka Kumar
 Managing Director
 DIN: 02972579


Malkit Singh Didyala
 Whole Time Director
 DIN: 07957488

Place: Varanasi
 Date: 19th April 2019

Place: Noida
 Date: 19th April, 2019


Pankaj Kumar Sinha
 Company Secretary
 ACS: 021971

