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Directors' Report

To

the Members of

BSS MICROFINANCE LIMITED

The Directors present their Twenty Eighth Annual Report together with the audited accounts of the Company for the year ended 31st March 2022.

FINANCIAL HIGHLIGHTS

Particulars	₹ in lac	
	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Gross income	26,471.31	20,579.13
Profit before tax	10,506.49	3,304.48
Provision for tax	2,556.01	825.42
Profit for the period	7,950.48	2,479.06
Total Comprehensive Income for the period	7,966.37	2,499.89

DIVIDEND

With a view to conserve your Company's resources, the Directors do not recommend any Dividend (Previous Year: Nil)

FINANCE

The Company is a Business Correspondent of Kotak Mahindra Bank Limited, its Holding Company. It does not require any banking limits.

MANAGEMENT DISCUSSION AND ANALYSIS

Company Business

The Company is a wholly owned subsidiary of Kotak Mahindra Bank Limited. The Company is working as a Business Correspondent (BC) of Kotak Mahindra Bank Limited and its nature of operation is facilitating micro finance for the weaker sections of society.

As on 31st March 2022, your Company has been facilitating micro credit for income generating activities and for quality of life improvement activities, to 7,87,402 poor women borrowers and their families.

The Asset Under Management (AUM), increased from ₹ 1,917.77 crs as on 31st March 2021 to ₹ 2,916.52 crs as on 31st March 2022, an increase of 52% on Y-o-Y basis. The categories of loan purposes include Animal Husbandry (79%), Petty Trading (8%), Petty Manufacturing (7%), Petty Services (3%) and Life Quality Improvement Loans (3%).

Despite Covid-19 second wave impact, the Company was able to register collection efficiency of 97.7% and AUM growth of 52%

Industry Developments & Outlook

Microfinance is a service that connects people at the bottom of pyramid with limited access to formal sources of credit to the formal financial services in a sustainable and scalable manner. Microfinance plays an important role in improving the outreach of financial inclusion efforts across the length & breadth of the Country. Your Company has been providing access to formal credit to borrowers, all of them women, particularly in semi-urban and rural locations as a Business Correspondent of Kotak Mahindra Bank.

On account of the Covid-19 impact, the microfinance Sector saw muted growth in FY 2021-22. However, the sector is on a recovery path and is expected to post higher growth in FY 2022-23, while reinstating the credit discipline it is known for.

Opportunities & Threats

The Microfinance sector has a lot of ground to cover in providing impetus to the unorganised sector, driving businesses, creating jobs and transforming the lives of millions belonging to the bottom end of the socio-economic spectrum. The sector can benefit by ramping up the adoption of technology in all areas of operations which will enable reduced overall turnaround times, operational costs and cost of credit access costs for the borrower.

As more & more underserved people aspire to become part of the formal economy, the Microfinance sector has a good opportunity to offer an array of financial services within their reach. Microfinance has an important role to play in helping India progress towards the vision of becoming a USD 5 trillion economy by 2025.

Your Company is well placed to scale up its operations in states where it is presently operating and also expand its footprint into new states thereby bringing a large number of financially excluded households into the mainstream.

With the change in behaviour of some customer segments, the need to ensure proper customer selection has become even more important to mitigate risks of wilful defaults.

Internal Controls

Your Company has a Field Quality Control Unit which regularly monitor all activities of the branches of the Company. The scope includes all the financial activities and verification at random of the non-financial activities such as centre discipline, loan utilization checks etc. Also, the Company has appointed various firms of Chartered Accountants as Internal Auditors to review and assess financial and operating matters. Reports of the audits conducted by the Field Quality Control Unit and Internal Auditor are presented to the Audit Committee of the Board regularly.

Human Resources

Your Company is professionally managed and it follows an open and transparent policy to nurture its human resources. It encourages and facilitates long term careers with the Company and the Company recognises people as its most valuable assets.

Information Technology

The Company will be shortly launching a Customer Facing App, which will provide comprehensive information on loans, new offerings, new loan application, online payment options, etc. The Company has automated several processes, which has helped to substantially reduce the turnaround time for loan processing. The Company is also in the process of implementing a new HRMS solution.

Cautionary Note

Certain statements in the 'Management Discussion and Analysis' section may be forward-looking and are stated as may be required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Your Company does not undertake to update these statements.

DIRECTOR'S & KEY MANAGERIAL PERSONNEL

Change in Directors during the year

Based on the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors of the Company at its meeting held on 13th September, 2021, appointed Sri Tapobrat Chaudhuri. (DIN: 0009291548) as an Additional Director of the Company, subject to the approval of the members at the General meeting.

Mr. Chandrashekar Shrikrishna Sathe (DIN:00017605) ceases to be an Independent Director of the Company with effect from 8th January 2022, consequent to completion of his second term. Your Directors place on record their appreciation for the valuable advice and guidance rendered by Mr. Mr. Chandrashekar Shrikrishna Sathe during his tenure as an Independent Director of the Company.

Mr. Narayan S.A. (DIN: 00007404) resigned as a Director of the Company with effect from 4th May 2022. Your Directors place on record their appreciation for the valuable advice and guidance rendered by Mr. Narayan S.A. during his tenure as a Director of the Company.

Mr. D. Kannan (DIN: 00498935) was appointed as Chairman of the Company with effect from 4th May 2022.

The Board comprises of three Directors Chairman and Non-Executive Director Mr. D. Kannan, Non-Executive Director Mr. B .S. Sivakumar, and Non-Executive Director Mr. Tapobrat Chaudhuri, with any two forming the quorum.

Directors retiring by rotation during the year:

Mr. D. Kannan (DIN: 00498935), Non-Executive Director, retired by rotation at the Twenty Eighth Annual General Meeting and being eligible, had offered himself for re-appointment. Accordingly, he was reappointed.

Board Evaluation

The Nomination and Remuneration Committee of the Company's Board has formulated the criteria for performance evaluation of the Directors and the Board as a whole. The criteria formulated broadly covers the Board role, Board / Committee membership, practice and procedure and collaboration and style. The said questionnaire was circulated to all the Directors of the Company for the annual performance evaluation.

Based on the assessment of the responses received to the questionnaire from the Directors on the annual evaluation of the Board, it's Committees, Chairman and the Individual Directors, a summary of the Board Evaluation was placed before the meeting of the Board for consideration. The Board at its meeting assessed the performance of the Directors. The Directors were satisfied with the results of the performance evaluation of the Board and its Committees, Chairman and Individual Directors.

Key Managerial Personnel (KMPs)

In terms of the provisions of Section 203 of the Companies Act, 2013, Mr. S Kumar, Chief Executive Officer, Mr. Suresh Batchu, Chief Financial Officer and Ms. P B Kavitha, Company Secretary are the Key Managerial Personnel of the Company.

Appointment & Remuneration of Directors and KMPs

The Nomination and Remuneration Committee of the Board of Directors of the Company considers the qualifications, experience, fit & proper status, positive attributes as per the suitability of the role and independent status and various regulatory/statutory requirements as may be required of the candidate before such appointment.

Remuneration to the KMPs i.e. Chief Executive Officer, Chief Financial Officer and Company Secretary, is as per the terms of their employment.

Number of Board Meetings

During the year, six meetings of the Board of Directors were held.

COMMITTEES

AUDIT COMMITTEE

The Audit Committee presently consists of three members, Non-Executive Director Mr. D. Kannan, Non-Executive Director Non-Executive Director Mr. B.S. Sivakumar and Non-Executive Director Mr. Tapobrat Chaudhuri, with any two members forming the quorum.

During the year, five meetings of the Committee were held.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Your Company has constituted a Board Corporate Social Responsibility Committee (CSR Committee). The CSR Committee presently consists of three members, Non-Executive Director Mr. D. Kannan, Non-Executive Director Mr. B.S. Sivakumar and Non-Executive Director Mr. Tapobrat Chaudhuri, with any two members forming the quorum.

During the year, three meetings of the Committee were held.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee presently consists of three members, Non-Executive Director Mr. D. Kannan, Non-Executive Director Mr. B.S. Sivakumar and Non-Executive Director Mr. Tapobrat Chaudhuri, with any two members forming the quorum.

During the year, 3 meetings of the Committee were held.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee presently comprises of six members Non-Executive Director Mr. D Kannan, Non-Executive Director Mr. B.S. Sivakumar, Non-Executive Director Mr. Tapobrat Chaudhuri, CEO Mr. S. Kumar, COO Mr. S. Panchakshari and CFO Mr. Suresh Batchu, with any four members forming the quorum.

During the year, four meetings of the Committee were held.

SHARE TRANSFER COMMITTEE

The Share Transfer Committee presently comprises of three members Non –Executive Director Mr. D. Kannan Non-Executive Director Mr. B.S. Sivakumar and Non-Executive Director Mr. Tapobrat Chaudhuri with any two members forming the quorum.

During the year, no meeting of the Committee was held.

FIRST TIER AUDIT COMMITTEE

First Tier Audit Committee presently comprises of six members Non-Executive Director Mr. D. Kannan, Non-Executive Director Mr. B.S. Sivakumar, Non-Executive Director Mr. Tapobrat Chaudhuri, CEO Mr. S. Kumar, COO Mr. S. Panchakshari and CFO Mr. Suresh Batchu, with any three members forming the quorum .

During the year, five meetings of the Committee were held.

ROUTINE AND ADMINISTRATIVE FUNCTIONS COMMITTEE

Routine and Administrative Functions Committee presently comprises of three members Non-Executive Director Mr. D. Kannan, Non-Executive Director Mr. B.S. Sivakumar and Non-Executive Director Mr. Tapobrat Chaudhuri, with any two members forming the quorum.

During the year, four meetings of the Committee were held through circular resolution.

AUDITORS

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Firm Registration No.117366W/W-100018 issued by ICAI, was appointed as Statutory Auditors of the Company for a period of five consecutive years, to hold office from the conclusion of the 23rd Annual General Meeting until the conclusion of the 28th Annual General Meeting of the Company, on such remuneration to be fixed annually by the Audit Committee / Board of Directors, taking into account recommendation of the Audit Committee in consultation with the Auditors.

The Statutory Auditor is eligible for reappointment for another term. The Board has recommended to the members for approval at Annual General meeting for appointment of M/s.Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration 117366W/W-100018) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of the Twenty Eighth Annual General Meeting until the conclusion of the Thirty Third Annual General Meeting of the Company.

INTERNAL FINANCIAL CONTROLS

The Board of Directors confirms that your Company has laid down a set of standards, processes and structure which enables to implement Internal Financial controls across the organization with reference to Financial Statements and that such controls are adequate and are operating effectively. During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.

Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188(1) of the Companies Act, 2013, in form AOC-2.

All Related Party Transactions as required under Accounting Standards AS18 are reported in Notes to Accounts in Financial Statements.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Nil.

WHISTLE BLOWER POLICY & VIGIL MECHANISM

Your Company has put in place the Vigil Mechanism (Whistle Blower Policy) to raise concerns internally and to disclose information, which the individual believes happening of malpractice, serious irregularities, fraud, unethical business conduct, abuse or wrong doing or violation of any Indian law.

The same is also put up on the Company's website viz. URL: <https://www.bssmfi.com/vigil-mechanism.html>

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time BSS Microfinance Limited further referred to as your Company, has constituted a Board Corporate Social Responsibility Committee (CSR Committee), which was re-constituted during the financial year and presently consists of the following Directors:

1. Mr. D. Kannan
2. Mr. B.S. Sivakumar
3. Mr. Tapobrat Chaudhuri

Your Company's CSR Committee is responsible to identify, execute and monitor CSR projects, to assist the Board in fulfilling its CSR objectives, to ensure compliance of CSR regulations and to oversee reporting and disclosure of CSR activity. Further, your Company's CSR Committee makes recommendations to the Board to review and approve the CSR Policy, Annual Action Plan, and CSR Projects including its budget, design, scope, expenditure payments and related matters.

Your Company's CSR policy sets out your Company's vision, mission, governance and CSR focus areas to fulfil its inclusive agenda across many geographies of India. The Policy also highlights your Company's intent to contribute towards the economic, environmental and social growth of the nation and also reflects the organisation's commitment to contribute towards United Nation's ("UN") Sustainable Development Goals ("SDGs"). Your Company has enhanced its CSR footprint in FY2021-22, in accordance with the guidelines led out in the CSR Policy, by focusing on sustainable, scalable and perceptible CSR Projects, spreading in focused geographies and aligning to SDGs and the national narrative.

Your Company's CSR Policy is available on the Company's website: <http://www.bssmfi.com/assets/pdf/csr-policy.pdf>

Your Company's CSR, Projects and CSR Project Expenditure are compliant with the CSR mandate as specified under Section 134, Section 135 read with schedule VII of the Act along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and in line with the Government of India's notifications issued from time-to-time

The average net profit under section 198 of the Companies Act, 2013 for Company for the last three financial years preceding FY 2021-22. ₹ 65,87,01,258/-

The 2% of Average net profits of the Company under section 135, of the Act for FY 2021-22 is ₹ 1,31,74,025/-. After setting-off ₹ 66,641/- i.e the excess CSR spent of the previous FY 2020-21, the total CSR obligation of the Company for FY 2021-22 is ₹ 1,31,07,384/-

The actual CSR Expenditure for the period April 1, 2021 to March 31, 2022 as required under Section 135 of the Act, and the Companies (Corporate Social Responsibility Policy) Rules 2014 as amended from time is ₹ 1,25,31,151/-. The entire amount of ₹ 1,25,31,151/- has been utilised towards the Board approved CSR Projects which were pertaining to Other than Ongoing CSR Projects for FY 2021-22.

Furthermore, as against the total CSR obligation of ₹ 1,31,07,384/- for FY 2021-22, your Company's CSR Expenditure and CSR Administrative Overheads which aggregated to ₹ 1,31,57,708/- for FY 2021-22, are over and above by ₹ 50,324/- than the total CSR obligation of the Company.

The excess CSR spend of ₹ 50,324/- for FY 2021-22 is being carried forward to succeeding financial year(s) and would be available for set-off in those financial year(s). The details of the same are more particularly described in section on Annual Report on CSR activities for FY 2021-22.

The implementation of the CSR projects and programmes in FY 2021-22 have been done both directly and through the implementation partner.

A. Direct Implementation CSR Projects:

- Provided School essential materials such as Benches, Desks, tables, chair and laptops for 69 Govt. Schools across Karnataka - 21 Schools, Tamil Nadu – 16 Schools, Madhya Pradesh – 16 Schools and Maharashtra – 16 Schools.
- Creation of 3 smart class rooms in Govt. High Schools Bangalore Rural, Tumkur and Hassan District of Karnataka
- Annual Maintenance for two safe drinking water plants installed at Kunigal taluk, Tumkur district in Karnataka

B. CSR PROJECT IMPLEMENTED THROUGH IMPLEMENTATION PARTNER:

- Holistic Livestock Development Project implemented through BAIF foundation in 73 villages of Mandya District, Karnataka.

Basis CSR Committee's review and recommendation, the Board has reviewed and approved all CSR Projects, CSR Project Expenditure Payments, CSR Administration Overhead Expenses. The details are available in the Annexure to this report and also in the Business Responsibility Report section of the Annual Report for FY 2021-22.

RISK MANAGEMENT POLICY

Your Company manages risk based on a Risk Management framework which lays down guidelines in identifying, assessing and managing risks that the entity is exposed to. Risk Management Committee meetings are generally conducted on quarterly basis to review key risks like Repayment Risk, Liquidity Risk, Operational Risk and various other risks.

EMPLOYEES

The employee strength of your Company was 3,395 as of 31st March 2022

Two employees employed throughout the year and Nil employees employed for part of the year were in receipt of remuneration of ₹ 102 lakh or more per annum. In accordance with the provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are set out in the annexure to the Directors' Report. In terms of the Proviso to Section 136(1) of the Companies Act, 2013, the Directors' Report is being sent excluding the aforesaid annexure. The annexure is available for inspection at the Registered Office of your Company during the business hours on working days.

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, your Company has in place a Policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal). No instances of sexual harassment was reported during the year.

DEPOSIT

Your Company did not accept any deposits from the public during the year. Also, there are no deposits due and outstanding as on 31st March 2022.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions pertaining to the Conservation of Energy and Technology Absorption are not applicable to your Company.

During the year, the Company had foreign exchange inflow of ₹ NIL (Previous Year: Nil) while the outgo of foreign exchange was also Nil (Previous Year: ₹ Nil).

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, based on the representations received from the management, confirm in pursuance of Section 134(5) of the Companies Act, 2013 that:

- i) the Company has, in the preparation of the annual accounts, followed the applicable accounting standards along with proper explanations relating to material departures, if any;
- ii) the Directors have selected such accounting policies and applied them consistently 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 as at 31st March 2022 and of the profit of the Company for the financial year ended 31st March 2022;
- iii) the 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;
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the 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;
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.
- vii) The Company is generally in compliance with applicable Secretarial Standards.

ANNEXURES

Following statements/reports are set out as Annexures to the Directors' Report:

- (a) Extract of Annual Return under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of Companies (Management & Administration) Rules, 2014 (Annexure – A).
- (b) Report on CSR activities pursuant to provisions of Section 135(4)(a) of the Companies Act, 2013, read with Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 (Annexure – B).

ACKNOWLEDGEMENTS

The Board takes this opportunity to place on record, its gratitude for the valuable guidance and support received from the statutory and the regulatory authorities, its appreciation of the dedication and contribution of your Company's employees at all levels.

For and on behalf of the Board of Directors

D. Kannan

Chairman

Tapobrat Chaudhuri

Non Executive Director

Place: Mumbai

Date : 8th June, 2022

FORM NO. MGT 9**EXTRACT OF ANNUAL RETURN****as on the Financial Year ended on 31st March 2022**

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

I REGISTRATION & OTHER DETAILS:

i	CIN	U74899KA1994PLC049746
ii	Registration Date	5 th April, 1994
iii	Name of the Company	BSS MICROFINANCE LIMITED
iv	Category/Sub-category of the Company	Company limited by Shares/Non Government Company
v	Address of the Registered office and contact details	No. 11, 2nd Block, 2nd Stage, Outer Ring Road, Near BDA Complex, Nagarabhavi Layout, Bangalore – 560072, Tel: +91-80-2318-8408,2318-8409, Fax: +91-80-2318-8349 / 8350. E Mail: bss@bssmfi.com, www.bssmfi.com.
vi	Whether listed company Yes/No	No
vii	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No.31-32, Financial District, Nanakramguda, Gachibowli Serilingampally Mandal Hyderabad – 500 032. Telagana Phone No.1800 3454 001 / 040 6716 1604 E-mail : einward.ris@karvy.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	Facilitating Micro Credit: To carrying on the business of facilitating financial services, particularly through Micro Finance to large number of poor women.	64990	100%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES -

SL No	Name and Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
NIL					

IV SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	2,67,28,661	-	2,67,28,661	100.00%	2,67,28,661	-	2,67,28,661	100.00%	0.00%
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	2,67,28,661	-	2,67,28,661	100.00%	2,67,28,661	-	2,67,28,661	100.00%	0.00%
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter	2,67,28,661	-	2,67,28,661	100.00%	2,67,28,661	-	2,67,28,661	100.00%	0.00%
(A)=(A)(1)+(A)(2)									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. PUBLIC SHAREHOLDING									
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):-	-	-	-	-	-	-	-	-	-
(2) Non Institutions									
a) Bodies corporates	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,67,28,661	-	2,67,28,661	100.00%	2,67,28,661	-	2,67,28,661	100.00%	0.00%

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Kotak Mahindra Bank Limited	2,67,28,661	100.00%	NIL	2,67,28,661	100.00%	NIL	0.00%
	Total	2,67,28,661	100.00%	NIL	2,67,28,661	100.00%	NIL	0.00%

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE) - No Change

Sl. No.	Share holding at the beginning of the Year	Cumulative Share holding during the year	
		No. of shares	% of total shares of the company
At the beginning of the year	2,67,28,661	100.00%	
Kotak Mahindra Bank Limited	2,67,28,661	100.00%	
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-
At the end of the year		2,67,28,661	100.00%
		2,67,28,661	100.00%
		-	0.00%

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS):

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	-	0.00%		
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc).	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)			-	0.00%
					0.00%

(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0.00%		
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the year	0	0.00%	0	0.00%
				0	0.00%

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount (₹)	-	-	-	-
ii) Interest due but not paid (₹)	-	-	-	-
iii) Interest accrued but not due (₹)	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Additions (Principal) (₹)	-	-	-	-
Reduction (Principal) (₹)	-	-	-	-
Interest accrued but not due	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount (₹)	-	-	-	-
ii) Interest due but not paid (₹)	-	-	-	-
iii) Interest accrued but not due (₹)	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director (MD), Whole Time Director (WTD) and/or Manager:

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross salary	Nil	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961. (₹)		-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	- - - -	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	- - - -	-
2	Stock option	- - - -	-
3	Sweat Equity	- - - -	-
4	Commission	- - - -	-
	as % of profit	- - - -	-
	others, (specify)	- - - -	-
5	Others, please specify Sitting fees and Professional fees	- - - -	-
	Total (A)	- - - -	-
	Ceiling as per the Act		No Ceiling

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Names of the Directors					Total Amount
		Sri. Chandrashekar S Sathe (Independent Director)					
1	Independent Directors						
	A) Fee for Attending Board Meetings (₹)	1,50,000					1,50,000
	B) Fee for Board Committee Meetings						-
	i) Audit Committee (₹)	75,000					75,000
	ii) Nomination and Remuneration Committee (₹)	30,000					30,000
	iii) Corporate Social Responsibility Committee(₹)	45,000					45,000
	(C) Commission	5,00,000					5,00,000
	(D) Others, please specify	-					-
	Total (1)	8,00,000					8,00,000
2	Other Non Executive Directors						
	A) Fee for Attending Board Meetings (₹)	-					-
	B) Fee for Board Committee Meetings						-
	i) Audit Committee (₹)	-					-
	ii) Nomination and Remuneration Committee (₹)	-					-
	iii) Corporate Social Responsibility Committee(₹)	-					-
	iv) Honorarium	Nil					-
	(C) Commission	-					-
	(D) Others, please specify	-					-
	Total (2)	-					-
	Total (B) = (1)+(2)	8,00,000					8,00,000
	Total Managerial Remuneration	-	-	-	-	-	-
	Overall Ceiling as per the Act : NA						

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		S. Kumar, CEO	Sri. Suresh Batchu, CFO	Ms. P. B. Kavitha, CS	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (₹)	1,02,30,804.00	94,27,407	34,33,593	2,30,91,804
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	N/A	N/A	N/A	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N/A	N/A	N/A	-
2	Stock Option	N/A	N/A	N/A	-
3	Sweat Equity	N/A	N/A	N/A	-
4	Commission	N/A	N/A	N/A	-
	as % of profit	N/A	N/A	N/A	-
	others, specify	N/A	N/A	N/A	-
5	Others, please specify	N/A	N/A	N/A	-
	Total	1,02,30,804	94,27,407	34,33,593	2,30,91,804

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	Nil	N.A.	N.A.	N.A.	N.A.
Punishment	Nil	N.A.	N.A.	N.A.	N.A.
Compounding	Nil	N.A.	N.A.	N.A.	N.A.
B. DIRECTORS					
Penalty	Nil	N.A.	N.A.	N.A.	N.A.
Punishment	Nil	N.A.	N.A.	N.A.	N.A.
Compounding	Nil	N.A.	N.A.	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	N.A.	N.A.	N.A.	N.A.
Punishment	Nil	N.A.	N.A.	N.A.	N.A.
Compounding	Nil	N.A.	N.A.	N.A.	N.A.

For and on Behalf of the Board of Directors,

BSS Microfinance Limited
D. Kannan
 Chairman

Tapobrat Chaudhuri
 Non Executive Director

Annual Report on CSR Activities for the FY 2021-22

1. Brief outline on CSR Policy of the Company.

BSS Microfinance Ltd ("Company") believes in positively contributing to the economic, environmental and social well-being of communities through Corporate Social Responsibility (CSR) agenda. Your Company's CSR policy sets out your Company's vision, mission, governance, and CSR focus areas to fulfill its inclusive growth agenda in India. It also demonstrates your Company's contribution towards the economic, environmental and social growth of the nation and is also committed to contribute towards United Nation's (UN) Sustainable Development Goals (SDGs).

While ensuring that its CSR policy, projects, programmes and the CSR expenditure are all compliant with the CSR mandate as specified under section 134, section 135 read with schedule VII of the Companies Act, 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and in line with the Government of India's notifications issued from time-to-time.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	D. Kannan	Non-Executive	3	3
2	B. S. Sivakumar	Non-Executive	3	3
3	Chandrashekar Sathe	Independent Director	3	3
4	S A Narayan	Non-Executive Director	3	3

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<http://www.bssmfi.com/assets/pdf/csr-policy.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

The impact assessment is not mandatory for the Company as its CSR obligation is less than ₹ 10 crore (limit for mandatory Impact assessment prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time)

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1	2019-20	Nil	Nil
2	2020-21	Nil	Nil
3	2021-22	66,641	Nil
TOTAL		66,641	Nil

6. Average net profit of the company as per section 135(5). : ₹ 65,87,01,258/-

7. (a) Two percent of average net profit of the company as per section 135(5) ₹ 1,31,74,025/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil

(c) Amount required to be set off for the financial year, if any - ₹ 66,641/-

(d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 1,31,07,384

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
1,31,57,708	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent against **Ongoing projects** for the financial year: NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project. State. District.	Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name	CSR Registration number.
1.											
2.											
3.											
TOTAL		NIL									

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project. State. District.		Amount spent for the project (in ₹)	Mode of implementation on - Direct (Yes / No).	Mode of implementation - Through implementing agency. Name. CSR Registration number.
1.	Holistic Livestock Development Program	Livelihood enhancement projects	Yes	Karnataka	Mandya	36,25,022*	No	BAIF Institute For Sustainable Livelihoods And Development CSR00000259
2.	Providing students desk, Tables to Govt. Schools	Promoting education	Yes	Karnataka	Mysore, Hassan, Mandya, Davangere, Tumkur Kolar, Shimogga	24,19,247	Direct	Nil
	Providing students desk, Tables to Govt. Schools	Promoting education	Yes	Maharashtra	Kolhapur, Solapur	17,30,451	Direct	Nil
	Providing students desk, Tables to Govt. Schools	Promoting education	Yes	Tamil Nadu	Coimbatore, Madurai, Salem, Tiruvanmalai, Dharmapuri	23,97,928	Direct	Nil
	Providing students desk, Tables to Govt. Schools	Promoting education	Yes	Madhya Pradesh	Ashta, Agar Malwa, Shajalpur, Shajapur, Rajghard	15,70,412	Direct	Nil
	Providing Projector & Laptop to Govt. School	Promoting education	Yes	Karnataka	Bangalore Rural, Tumkur, Hassan	5,71,829	Direct	Nil
3.	AMC - Safe Drinking Water Plants	Promoting health care including preventive health care	Yes	Karnataka	Tumkur	2,16,262	Direct	Nil
TOTAL						1,25,31,151		

* Includes travel cost directly incurred for the CSR Project

- (d) Amount spent in Administrative Overheads – ₹ 6,26,557/-
- (e) Amount spent on Impact Assessment, if applicable NA
- (f) Total amount spent for the Financial Year - ₹ 1,31,57,708/-
(8b+8c+8d+8e)
- (g) Excess amount for set off, if any - ₹ 50,324/-

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	1,31,74,025
(ii)	Total amount spent for the Financial Year	1,31,57,708
(iii)	Excess amount spent for the financial year [(ii)-(i)]	(16,317)
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)+(iv)]	(16,317)*

*From the excess CSR spend of ₹ 66,641/- of FY 2020-21 carried forward for utilisation (set-off) for subsequent years, ₹ 16,317/- has been utilised as CSR spent in FY 2021-22. Thus, against the total CSR obligation of the Company for FY 2021-22 being ₹ 1,31,07,384/-, the actual CSR spend for the Company for FY 2021-22 is ₹ 1,31,57,708/-, and the excess CSR spend carried forward (available) for utilisation (or set-off) for subsequent financials years is ₹ 50,324/-.

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the Reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	

Not Applicable

- (b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): **NIL**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.

NIL

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details)**

(a) Date of creation or acquisition of the capital asset(s).

S. No	CSR Focus Area	Partner NGO/Direct Implementation	Amount of CSR spent for creation or acquisition of asset (in ₹)	Date of creation of assets	Details of assets	Project Location and complete address	Address of Implementing Agency / Asset Owner	Ownership of Asset
1	Promoting Education	Direct Implementation	24,19,247	FY 2021-22	Benches - 270 Tables - 101 Chairs - 101 Plastic Chair -350	Mysore, Hassan, Mandya, Davangere, Tumkur Kolar, Shimogga districts of Karnataka State	NA	School Authority and SDMC
2	Promoting Education	Direct Implementation	17,30,451	FY 2021-22	Benches - 115 Tables - 27 Chairs - 34 Plastic Chair -70	Kolhapur, Solapur districts of Maharashtra State	NA	School Authority and SDMC
3	Promoting Education	Direct Implementation	23,97,928	FY 2021-22	Benches - 135 Tables - 97 Chairs - 55 Plastic Chair -300	Coimbatore, Madurai, Salem, Tiruvanamalai, Dharmapuri - districts of Tamil Nadu State	NA	School Authority and SDMC
4	Promoting Education	Direct Implementation	15,70,412	FY 2021-22	Benches - 75 Tables - 13 Chairs - 15 Plastic Chair -26	Ashta, Agar Malwa, Shajalpur, Shajapur, Rajghard - districts of Madhya Pradesh State	NA	School Authority and SDMC
5	Promoting Education	Direct Implementation	5,71,829	FY 2021-22	Laptops - 05 Projectors - 03 UPS - 6	Bangalore Rural, Tumkur, Hassan - Districts of Karnataka State	NA	School Authority and SDMC
6	Livelihood enhancement projects	BAIF - Institute for Sustainable Livelihoods and Development	52,882	FY 2021-22	Office Furniture & Tables	Srirangapattana and Pandavapura Taluks of Mandya District, Karnataka State	BAIF Development Research Foundation, PBNo.3, Shardanagara, Tiptur, Dist Tumkur - 572202 (Karnataka)	BAIF Institute For Sustainable Livelihoods And Development
7	Livelihood enhancement projects	BAIF - Institute for Sustainable Livelihoods and Development	4,04,115	FY 2021-22	Motor Bikes - 5 (five)	Srirangapattana and Pandavapura Taluks of Mandya District, Karnataka State	BAIF Development Research Foundation, PBNo.3, Shardanagara, Tiptur, Dist Tumkur - 572202 (Karnataka)	BAIF Institute For Sustainable Livelihoods And Development

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company has spent as per CSR requirement.

Sd/-
(Chief Executive Officer or
Managing Director or Director).

Sd/-
(Chairman CSR Committee).

Sd/-
[Person specified under
clause (d) of sub-section (1)
of section 380 of the Act]
(Wherever applicable).

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,

BSS Microfinance Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BSS Microfinance Limited (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 my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made thereunder; (Not applicable to the Company)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as applicable; - (Not applicable to the Company)
- (v) Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), to the extent applicable and as amended from time to time: (Not applicable to the Company).
- (vi) Other laws applicable specifically to the Company namely:
 - (a) Company Regulation Act, 1949, Financial Inclusion by Extension of Banking Services – Use of Business Facilitators (BFs) and Business Correspondents (BCs) Master Circulars, Notifications and Guidelines issued by the Reserve Bank of India and as amended from time to time;

Other laws to the extent applicable to the Company as per the representations made by the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board of Directors (SS-1) and General Meetings (SS-2).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted as per requirement. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except where meeting was held at a short notice to transact urgent business 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.

Decisions at the meetings of the Board of Directors of the Company were carried out unanimously. There were no dissenting views by any member of the Board of Directors during the period under review.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period no event occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines, etc

Name: **Shashikala Hemanth**

Designation: Practicing Company Secretary

ACS No.29319; CP No.13091

UDIN : A029319D000473488

Place : Bangalore

Date : 08th June, 2022

ANNEXURE 'A'

To,

The Members

BSS Microfinance Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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. I believe that the process and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. 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.

Name: **Shashikala Hemanth**

Designation: Practicing Company Secretary

ACS No.29319; CP No.13091

UDIN : A029319D000473488

Place: Bangalore

Date : 08th June, 2022

Independent Auditors' Report

To
the Members of

BSS MICROFINANCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of BSS Microfinance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

Report on Other Legal and Regulatory Requirements

1. 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) 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,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - 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.
 - iv.
 - (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(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 on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (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 and has not proposed final dividend for the year.
2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Krishna Prakash E
Partner
(Membership No. 216015)
UDIN: 22216015AKLQIQ1643

Place: Coimbatore
Date: June 08, 2022

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph "1(f)" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 BSS Microfinance Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system 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 authorisations of management and directors of the

company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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, 2022, based on the criteria for internal financial control over financial reporting 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Krishna Prakash E
Partner
(Membership No. 216015)
UDIN: 22216015AKLQIQ1643

Place: Coimbatore
Date: June 08, 2022

BSS Microfinance Limited

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) In respect of property, plant and equipment:
 - (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of 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) Some of the Property, Plant and Equipment, were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, at reasonable intervals having regard to the size of the Company and the nature of its activities. No material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
 - (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 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 (ii)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) In respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees’ State Insurance, Income-tax, and other material statutory dues applicable to it, to the appropriate authorities
There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees’ State Insurance, Income-tax, and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
 - (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2022.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix)
 - (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
 - (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x)
 - (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
 - (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi)
 - (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

- (b) To the best of our knowledge, 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) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (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, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) 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 issued to the Company during the year and covering the period upto September 2021 and the draft of the internal audit reports were issued after the balance sheet date covering the period October 2021 to March 2022 for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (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 of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements 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) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Krishna Prakash E
Partner
(Membership No. 216015)
UDIN: 22216015AKLQIQ1643

Place: Coimbatore
Date: June 08, 2022

Balance Sheet

as at 31st March 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March, 2022	As at 31 st March, 2021
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	902.43	871.22
(b) Other Intangible Assets	3	7.05	11.91
(c) Financial Assets			
(i) Non-Current Investments	4	20.00	2,046.67
(ii) Non-Current Loans and Advances	5	3.34	3.32
(iii) Other Non-Current Financial Assets	6	17,267.55	11,275.43
(d) Deferred Tax Assets (Net)	26	1,385.84	1,672.31
(e) Other Non-Current Assets	7	62.94	13.75
Total Non-Current Assets		19,649.15	15,894.61
Current Assets			
(a) Financial Assets			
(i) Current Investments	8	6,711.99	6,158.03
(ii) Trade Receivables	9	2,917.16	1,796.11
(iii) Cash and Cash Equivalents	10	1,815.95	2,802.64
(iv) Bank balance other than (iii) above	10a	3,928.23	2,029.60
(iv) Short Term Loans and Advances	11	1,808.77	2,552.45
(i) Other Current Financial Assets	12	361.15	229.07
(b) Current Tax Assets (Net)		464.80	105.84
(c) Other Current Assets	13	276.50	178.87
Total Current Assets		18,284.55	15,852.61
Total Assets		37,933.70	31,747.22
LIABILITIES AND EQUITY			
EQUITY			
(a) Equity Share Capital	14	2,672.87	2,672.87
(b) Other Equity	15	29,519.64	21,553.27
Total Equity		32,192.51	24,226.14
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	16	291.63	340.82
(b) Long Term Provisions	17	216.18	198.30
Total Non-Current Liabilities		507.81	539.12
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
(A) Total Outstanding Dues of Micro Enterprises and Small Enterprises			
(B) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises	18	1,424.67	1,508.74
(ii) Lease liabilities	19	49.19	42.47
(iii) Other Current Financial Liabilities	19	408.37	3,180.52
(b) Short Term Provisions	19a	2,762.98	2,008.00
(c) Current Tax Liabilities (Net)	25	-	-
(d) Other Current Liabilities	20	588.17	242.23
Total Current Liabilities		5,233.38	6,981.96
Total Equity and Liabilities		37,933.70	31,747.22

See accompanying notes forming part of the Financial Statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
FRN: 117366W/W-100018

Krishna Prakash E
Partner

Place: Coimbatore
Date: June 08, 2022

Kumar S
Chief Executive Officer

Place: Bengaluru
Date: June 08, 2022

For and on behalf of Board of Directors

Sivakumar BS
Director
Place: Mumbai
Date: June 08, 2022

Suresh Batchu
Chief Financial Officer

Place: Bengaluru
Date: June 08, 2022

Tapobrat Chaudhuri
Director
Place: Mumbai
Date: June 08, 2022

Kavitha P B
Company Secretary

Place: Bengaluru
Date: June 08, 2022

Profit and Loss Account

for the year ended 31st March 2022

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
REVENUE			
I Revenue from Operations	21	25,275.62	19,402.37
II Other Income	22	1,195.69	1,176.76
III Total Income (I+II)		26,471.31	20,579.13
IV EXPENSES			
Employee Benefit Expenses	23	9,245.39	7,732.39
Finance Costs	24	25.85	24.29
Depreciation and Amortization Expenses	3a	184.82	338.78
Other Expenses	25	6,508.76	9,179.19
Total Expenses (IV)		15,964.82	17,274.65
V Profit Before Tax (III-IV)		10,506.49	3,304.48
VI Tax Expense			
(1) Current Tax		2,311.03	1,530.07
(2) Current Tax Pertaining to Prior Periods		(36.14)	(16.02)
(3) Deferred Tax		281.12	(688.63)
Total tax expense (1+2+3)		2,556.01	825.42
VII Profit for the Year (V-VI)		7,950.48	2,479.06
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit liability		21.23	27.84
Income Tax relating to Items that will not be reclassified to Profit or Loss		(5.34)	(7.01)
Total Other Comprehensive Income		15.89	20.83
IX Total Comprehensive Income for the Year (VII+VIII)		7,966.37	2,499.89
X Earnings per Share			
Basic (₹)	27	29.75	9.27
Diluted (₹)		29.75	9.27

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
FRN: 117366W/W-100018

Krishna Prakash E
Partner

Place: Coimbatore
Date: June 08, 2022

Kumar S
Chief Executive Officer

Place: Bengaluru
Date: June 08, 2022

For and on behalf of Board of Directors

Sivakumar BS
Director
Place: Mumbai
Date: June 08, 2022

Suresh Batchu
Chief Financial Officer

Place: Bengaluru
Date: June 08, 2022

Tapobrat Chaudhuri
Director
Place: Mumbai
Date: June 08, 2022

Kavitha P B
Company Secretary

Place: Bengaluru
Date: June 08, 2022

Cash Flow Statement

for the year ended 31st March 2022

Particulars	(₹ in Lakhs)	
	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	7,950.48	2,479.06
Adjustments:		
(a) Depreciation and Amortization Expenses	184.82	338.79
(b) (Profit) / loss on disposal of Property, Plant and Equipment	(2.15)	1.99
(c) Impairment losses, net of reversals, on financial assets and other provisions	(1,902.44)	1,258.10
(d) Net gain on fair value changes on Investment in Mutual Funds	(210.27)	(150.71)
(e) Provision relating to managed portfolio	823.83	1,515.67
(f) Unwinding of discount on security deposit	(1.79)	(1.25)
(g) Finance costs	25.85	137.59
(h) Interest income on NCDs	(150.92)	(144.88)
(i) Interest income on FLDG Receivables (Net)	32.55	(7.89)
(j) Interest income on Fixed Deposits	(801.61)	(742.21)
(k) Tax Expense	2,556.01	825.42
Operating cash flows before movements in working capital	8,504.36	5,509.67
Working capital movement		
(a) (Increase)/Decrease in Loans and Advances made	2,688.83	(1,280.81)
(b) (Increase)/Decrease in Other Advances made	(1,200.99)	(2,996.19)
(c) (Increase)/Decrease in Deposits made by the company	(10,146.82)	1,394.07
(d) (Increase)/Decrease in Other Non Current Assets	(0.02)	0.01
(e) (Increase)/Decrease in Trade receivables	(1,121.26)	334.45
(f) (Increase)/Decrease in Other Current Assets	2,525.96	77.98
(g) (Increase)/Decrease in Other Current Financial Assets	(132.09)	(102.99)
(h) Increase/(Decrease) in Trade Payables	(46.28)	518.88
(i) Increase/(Decrease) in Other Current Liabilities	308.15	18.36
(j) Increase/(Decrease) in Other Current Financial Liabilities	(2,772.14)	255.71
(k) Increase/(Decrease) in Provisions	(1,523.49)	2,869.89
Cash generated from operations	(2,915.79)	6,599.02
Income tax paid (net of refunds)	(2,635.04)	(1,580.30)
Net cash generated from operating activities (A)	(5,550.83)	5,018.72
CASH FLOW FROM INVESTING ACTIVITIES		
(a) Investment in Mutual Funds	(204,639.77)	(111,379.57)
(b) Proceeds from Redemption of Mutual Funds	206,322.45	105,372.26
(c) Purchases of Property, Plant and Equipment	(261.89)	(171.85)
(d) Proceeds on disposal on Property, Plant and Equipment	3.70	5.60
(e) Interest income on NCDs	150.92	-
(f) Interest income on Fixed Deposits	785.06	854.68
(g) Investment in Other Bank balances	(1,899.00)	5,606.86
(h) Bank deposits placed	(396.00)	(4,567.00)
(i) Bank deposits matured	4,567.00	-
Net cash flows from / (used in) investing activities (B)	4,632.46	(4,279.03)
CASH FLOW FROM FINANCING ACTIVITIES		
(a) Interest paid	-	(113.96)
(b) Lease liability Payment	(68.32)	(54.40)
Net cash flows used in financing activities (C)	(68.32)	(168.36)

Cash Flow Statement

for the year ended 31st March 2022

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(986.69)	571.33
Cash and cash equivalents at the beginning of the year	2,802.64	2,231.31
Cash and cash equivalents at the end of the year	1,815.95	2,802.64
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and cash equivalents as per balance sheet (Refer Note 10)		
Cash on hand	206.52	1,065.00
Balances with banks in current account	1,609.75	1,737.98
Less: Impairment loss allowance	(0.32)	(0.34)
Cash and cash equivalents as restated as at the year end	1,815.95	2,802.64

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7 - 'Cash Flow Statements'.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
FRN: 117366W/W-100018

Krishna Prakash E
Partner

Place: Coimbatore
Date: June 08, 2022

Kumar S
Chief Executive Officer

Place: Bengaluru
Date: June 08, 2022

For and on behalf of Board of Directors

Sivakumar BS
Director
Place: Mumbai
Date: June 08, 2022

Suresh Batchu
Chief Financial Officer

Place: Bengaluru
Date: June 08, 2022

Tapobrat Chaudhuri
Director
Place: Mumbai
Date: June 08, 2022

Kavitha P B
Company Secretary

Place: Bengaluru
Date: June 08, 2022

Statement of Changes in Equity

for the year ended 31st March 2022

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Balance at the beginning of the year	2,672.87	2,672.87
Changes in equity share capital during the year	-	-
Balance at the end of the year	2,672.87	2,672.87

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus			Total
	Statutory Reserve	Securities premium	Retained earnings	
Balance as at March 31, 2020	1,571.39	400.93	17,081.06	19,053.38
Profit for the year	-	-	2,479.06	2,479.06
Other comprehensive income for the year (net of tax)	-	-	20.83	20.83
Balance as at March 31, 2021	1,571.39	400.93	19,580.95	21,553.27
Balance as at March 31, 2021	1,571.39	400.93	19,580.95	21,553.27
Profit for the year	-	-	7,950.48	7,950.48
Other comprehensive income for the year (net of tax)	-	-	15.89	15.89
Balance as at March 31, 2022	1,571.39	400.93	27,547.32	29,519.64

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
FRN: 117366W/W-100018

Krishna Prakash E
Partner

Place: Coimbatore
Date: June 08, 2022

Kumar S
Chief Executive Officer

Place: Bengaluru
Date: June 08, 2022

For and on behalf of Board of Directors

Sivakumar BS
Director
Place: Mumbai
Date: June 08, 2022

Suresh Batchu
Chief Financial Officer

Place: Bengaluru
Date: June 08, 2022

Tapobrat Chaudhuri
Director
Place: Mumbai
Date: June 08, 2022

Kavitha P B
Company Secretary

Place: Bengaluru
Date: June 08, 2022

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 1 - NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(I) Corporate information

BSS Microfinance Limited (the Company) is a Public Limited Company and 100% Subsidiary of Kotak Mahindra Bank Limited (KMBL), domiciled in India and incorporated under the provisions of Companies Act, 1956. The registered office of the Company is No. 11, 2nd Block, 2nd Stage, Nagarbhavi Layout, Near BDA Complex, Bengaluru - 560072. The company is acting as Business Correspondent of KMBL in respect of microfinance loans and other related activities and having 400 branches across Karnataka, Maharashtra, Tamilnadu, Madhya Pradesh and Bihar.

(II) Basis of Preparation

A. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the financial years presented in the financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These financial statements are authorized for issue by the Company's Board of Director's on June 8, 2022.

Covid-19 Note:

COVID-19 has had an extraordinary impact on macroeconomic conditions in India and around the world post declaration of it as a pandemic by World Health Organisation in March 2020. Nation-wide lockdown in April-May 2020 followed by localised lockdown were imposed to restrict the spread in areas with significant number of cases. The restrictions were gradually lifted leading to improvement in economic activity. This was followed by two waves of COVID-19 with outbreak of new variants which led to the re-imposition of regional lockdowns which were subsequently lifted supported by administration of the COVID vaccines to a large population in the country.

India is emerging from the Covid-19 pandemic. The extent to which any new wave of COVID-19 pandemic will impact the Company's/ Bank's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

B. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All the amounts are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

C. Basis of measurement

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

- Certain financial assets and liabilities - measured at fair value (refer accounting policy regarding financial instruments); and
- Net defined benefit (asset) / liability - plan assets are measured at fair value less present value of defined benefit obligation.

D. Use of estimates and judgements

The preparation of financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Judgement, estimates and assumptions are required in particular for:

I. Revenue

Recognition of revenue over time or at a point in time:

The Company recognises revenue from servicing of microfinance loans originated as a business correspondent, over time because the customer simultaneously receives and consumes the benefits of the Company's performance as it performs.

The Company recognises revenue from distribution of micro insurance at a point in time because service is completed on transfer of micro insurance premium to insurance company.

Schedules

to the Financial Statements for the year ended 31st March, 2022

II. Determination of estimated useful lives of property, plant and equipment

Useful lives of property, plant and equipment are based on nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

III. Recognition and Measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial valuation. Key actuarial assumptions which form the basis of above valuation includes discount rate, trends in salary escalation, demographics and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Further details are disclosed in Note 33.

IV. Recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases and depreciation carry-forwards. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized.

V. Recognition and measurement of provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

VI. Discounting of long-term financial assets/liabilities

All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial assets/liabilities which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

VII. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please refer Note 34.

VIII. Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payment of Principal and Interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

IX. Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instrument.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to benchmark rate and other fee income/expense that are integral parts of the instrument.

X. Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses(ECL) on its financial assets measured at amortized cost and Fair Value through Other Comprehensive Income (FVOCI) except investment in equity instruments. At each reporting date, the Company assesses whether the above financial assets 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. The Company's ECL calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs.

Schedules

to the Financial Statements for the year ended 31st March, 2022

XI. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

XII. Determination of lease term

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

XIII. Discount rate for lease liability

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated.

XIII Adoption of new and revised standards

Below are list of new standards and amendments that are effective for the first time for periods commencing on or after April 1, 2021 (i.e. year ending March 31, 2022).

I. Interest Rate Benchmark Reform – Amendments to Ind AS 107 and Ind AS 109

The Ministry of Corporate Affairs had earlier notified amendments to Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments: Disclosures which were effective from April 1, 2020 (the Phase 1 amendments). Those amendments provided temporary reliefs from applying specific hedge accounting requirements to relationships affected by IBOR reform.

The amendments to Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments: Disclosures which are effective from April 1, 2021 (the Phase 2 amendments) address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark rate with an alternative one.

The key reliefs provided by the Phase 2 amendments are as follows:

- Changes to contractual cash flows: When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in profit and loss.
- Hedge accounting: The hedge accounting reliefs will allow most Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

The Company does not expect the amendment to have any significant impact in its financial statements.

II. Covid-19-related Rent Concessions – Amendments to Ind AS 116

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. Previously, an amendment to Ind AS 116, Leases provided lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions. The relief was originally limited to reduction in lease payments that were due on or before June 30, 2021. However, it was subsequently extended to June 30, 2022. The Company does not expect the amendment to have any significant impact in its financial statements.

Schedules

to the Financial Statements for the year ended 31st March, 2022

XIV. New standards and interpretations not yet adopted:

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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

VII. Ind AS 101, First-time adoption

The amendment clarifies that a subsidiary which becomes a first-time adopter after its parent may elect, in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to Ind ASs, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture. The Company does not expect the amendment to have any significant impact in its financial statements.

(III) Significant accounting policies

A. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment (PPE) are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

- a. its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b. any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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to the Financial Statements for the year ended 31st March, 2022

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation is provided on a pro-rata basis on a Written Down Value Method over the estimated useful life of the assets at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. Estimated useful lives of assets based on technical evaluation by management are as follows:

Furniture and Fixtures	- 10 Years
Plant and Equipment	- 15 Years
Vehicles	- 8 Years
Computers	- 3 Years
Other Fixtures	- 1 Year

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

B. Intangible assets

i. Recognition and measurement

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making 'the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase/completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

ii. Amortisation

The intangible assets are amortized over the estimated useful lives as given below:

Softwares - 1- 5 Years

C. Leases

Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Schedules

to the Financial Statements for the year ended 31st March, 2022

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Non-lease component are recognised separately from lease component, unless non-lease component is not significant.

D. 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.

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

Fees

Upfront fee from loan originated as Business Correspondent are recognised as an income on accrual basis.

Revenue from servicing of microfinance loans is recognised as an income over the service period.

Micro Insurance Agency commission is recognised on successful conversion of micro insurance premium paid to insurance company.

Interest income

Interest income on financial assets is recognized on an accrual basis using effective interest method. Interest revenue is continued to be recognized at the original effective interest rate applied on the gross carrying amount of assets falling under impairment stages 1 and 2 as against on amortised cost for the assets falling under impairment stage 3.

Dividend income

Dividend income is recognised in the Statement of Profit and Loss when the right to receive the dividend is established.

E. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income (OCI).

Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961.

Current tax 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. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date.

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to the Financial Statements for the year ended 31st March, 2022

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset only if the Company has a legally enforceable right to set off the recognised amounts, and it intends to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

F. Employee benefits

Defined Contribution Plan

Provident Fund/Employee State Insurance Scheme

The Company's contribution to government provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no further obligations.

Defined Benefit Plan

Gratuity

The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The Company contributes to a Gratuity Fund administered by trustees and managed by Kotak Mahindra Life Insurance Company Limited, fellow subsidiary. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

Remeasurement of all defined benefit plans, which comprise actuarial gains and losses are recognised immediately in OCI in the year they are incurred. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent period.

Compensated Absences

Compensated absences which accrue to employees and which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employees performs the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefit, and where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

Other Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentives.

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to the Financial Statements for the year ended 31st March, 2022

G. Foreign Currency transactions and translations

Transactions in foreign currencies are translated into functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Gains/(Losses) relating to assets and liabilities denominated in foreign currency are reported in statement of Profit and Loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

H. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

I. Earnings per share

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

For the purpose of calculating diluted earnings per share, the 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.

J. Impairment of non-financial assets

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

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

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

K. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised but disclosed in the notes.

L. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

M. Financial Instruments

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

Schedules

to the Financial Statements for the year ended 31st March, 2022

Financial assets

Recognition, Initial measurement and Derecognition

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

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification

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

Business model assessment

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

- the objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.
- the risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed.

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

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

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

- reset terms
- contingent events that would change the amount and timing of cash flows;
- prepayment and extension terms; and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

Subsequent measurement

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

Financial assets at amortised cost

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

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

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

Schedules

to the Financial Statements for the year ended 31st March, 2022

Financial asset at fair value through Other Comprehensive Income (FVOCI)

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

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

After initial measurement, such financial assets are subsequently measured at fair value. Interest income is recognised using the effective interest (EIR) method. The impairment losses, if any, are recognized through Statement of Profit and Loss. The loss allowance is recognized in OCI and does not reduce the carrying value of the financial asset. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of Profit and Loss.

Financial asset at fair value through profit and loss (FVTPL)

Any financial asset, which does not meet the criteria for classification as at amortized cost or as FVOCI, is classified to be measured at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All equity investments except for investments in subsidiary/associate/joint ventures are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

Financial liabilities

The company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Liabilities which are classified at fair value through profit or loss, including derivatives that are liabilities, shall be subsequently measured at fair value.

N. Impairment of Financial Assets

Methodology for computation of Expected Credit Losses (ECL)

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost and FVOCI, such as loans, fees receivable, security deposit, balances with banks and other financial assets. ECL has not been determined on financial assets measured at FVTPL.

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

At each reporting date, the Company assesses whether financial assets carried at amortised cost and FVOCI is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties.

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

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

ECL has been estimated by determining the probability of default ('PD'), Exposure At Default ('EAD') and loss given default ('LGD').

PD has been computed using observed history of default and converted into forward looking PD's using suitable macro-economic variable data.

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

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

Schedules

to the Financial Statements for the year ended 31st March, 2022

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

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

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

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

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

• Stage 1: 12 month ECL:

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

• Stage 2: Lifetime ECL (not credit impaired):

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

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

• Stage 3: Lifetime ECL (credit impaired):

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

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

For loans whose significant payment obligations are only after next 12 months, life time ECL has been applied.

Method used to compute lifetime ECL:

The Company calculates ECLs based on a probability-weighted scenarios to measure the expected cash shortfalls, discounted at EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the present value of cash flows that the entity expects to receive. The Company applies statistical techniques to estimate 12 month ECL and lifetime ECL.

Manner in which forward looking assumptions has been incorporated in ECL estimates:

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

O. Write-offs

Financial assets are written off either partially or in their entirety when there is no reasonable expectation 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. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the Statement of Profit and Loss. However, financial assets that are written off may be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

Schedules

to the Financial Statements for the year ended 31st March, 2022

P. Derecognition of financial assets and financial liabilities

Financial assets

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Q. Modifications of financial assets and financial liabilities

Financial assets

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

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

Financial liabilities

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

R. Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

S. Measurement of fair values

The Company's accounting policies and disclosures require fair value measurement of financial instruments such as investment in mutual funds.

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.

Schedules

to the Financial Statements for the year ended 31st March, 2022

Management uses its judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied.

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

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

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

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

T. Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits with banks. It also comprises of short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

U. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

V. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading.

X. Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

XI. Trade receivable

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 2 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Plant and equipment	Furniture and fixtures	Vehicles	Computers	Other fixtures	Right-Of-Use Asset - Building*	Total
Balance as at April 1, 2019	147.47	498.19	3.79	704.38	1.18	383.56	1,738.57
Restatement on Adoption of IndAS 116 (Leases)	-	-	-	-	-	-	-
Additions during the year	17.85	37.55	-	112.91	-	109.26	277.57
Disposals during the year	(1.63)	(5.02)	-	(64.86)	-	-	(71.51)
Balance as at March 31, 2020	163.69	530.72	3.79	752.43	1.18	492.82	1,944.63
Accumulated depreciation as at April 1, 2020	40.53	144.08	2.35	416.28	0.93	208.17	812.34
Restatement on Adoption of IndAS 116 (Leases)	-	-	-	-	-	-	-
Depreciation for the year	21.39	93.10	0.18	182.34	0.19	27.78	324.98
Disposals during the year	(0.99)	(4.27)	-	(58.65)	-	-	(63.91)
Balance as at March 31, 2021	60.93	232.91	2.53	539.97	1.12	235.95	1,073.41
Net carrying amount as at March 31, 2021	102.76	297.81	1.26	212.46	0.06	256.87	871.22
Balance as at April 1, 2021	163.69	530.72	3.79	752.43	1.18	492.82	1,944.63
Additions during the year	16.33	37.57	-	156.35	0.09	-	210.33
Disposals during the year	-	(0.29)	-	(15.94)	-	-	(16.22)
Balance as at March 31, 2022	180.02	568.00	3.79	892.84	1.27	492.82	2,138.74
Accumulated depreciation as at April 1, 2021	60.93	232.91	2.53	539.97	1.12	235.95	1,073.41
Depreciation for the year	8.29	34.82	-	95.31	0.05	39.10	177.57
Disposals during the year	-	(0.20)	-	(14.47)	-	-	(14.67)
Balance as at March 31, 2022	69.22	267.53	2.53	620.81	1.17	275.05	1,236.31
Net carrying amount as at March 31, 2022	110.80	300.47	1.26	272.03	0.10	217.77	902.43

*Refer Note 32

Impairment loss and reversal of impairment loss

There is no impairment loss recognised for Property, Plant and Equipment.

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 3 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Software	Total
Balance as at April 1, 2020	108.77	108.77
Additions during the year	3.54	3.54
Disposals during the year	-	-
Balance as at March 31, 2021	112.32	112.32
Accumulated amortisation and impairment		
Balance as at April 1, 2020	86.61	86.61
Amortisation for the year	13.80	13.80
Disposals during the year	-	-
Balance as at March 31, 2021	100.41	100.41
Net carrying amount as at March 31, 2021	11.91	11.91
Balance as at April 1, 2021	112.32	112.32
Additions during the year	2.39	2.39
Disposals during the year	-	-
Balance as at March 31, 2022	114.71	114.71
Accumulated amortisation and impairment as at April 1, 2021	100.41	100.41
Amortisation for the year	7.25	7.25
Disposals during the year	-	-
Balance as at March 31, 2022	107.66	107.66
Net carrying amount as at March 31, 2022	7.05	7.05

Impairment loss and reversal of impairment loss

There is no impairment loss recognised for intangible assets.

NOTE 3A DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
Depreciation on Property, Plant and Equipment	177.57	324.98
Amortization on Intangible Assets	7.25	13.80
Total	184.82	338.78

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 4 NON-CURRENT INVESTMENT

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Investment in Debentures		
Investments at amortized cost		
Investment in Non Convertible Debentures(NCDs) of Kotak Mahindra Prime Limited- Secured (Coupon rate - 7.56%, Credit Rating- AAA)	-	2,027.07
Less: Impairment Loss allowance	-	(0.40)
Total	-	2,026.67
Investment in Equity Instruments		
Investments at Fair Value Through Profit and Loss		
Equity Investment in Alpha Microfinance Consultants Private Limited	20.00	20.00
Total	20.00	20.00
Total	20.00	2,046.67
Aggregate Amount of Quoted Investments	-	2,026.67
Market Value of Quoted Investments	-	2,026.67
Aggregate Amount of Unquoted Investments	20.00	20.00
Aggregate Amount of Impairment in Value of Investments	-	(0.40)

NOTE 5 NON-CURRENT LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Deposits for utilities		
Unsecured, considered good	3.34	3.32
Total	3.34	3.32

NOTE 6 OTHER NON-CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Fixed Deposits	17,056.00	11,063.66
Less: Impairment loss allowance	(3.33)	(2.15)
Security Deposits		
Unsecured, considered good	218.72	213.98
Less: Impairment loss allowance	(3.84)	(0.06)
Total	17,267.55	11,275.43

NOTE 7 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Capital Advances	62.94	13.75
Total	62.94	13.75

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 8 CURRENT INVESTMENT

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Investment in Mutual Funds		
Investments at Fair Value Through Profit and Loss		
Investment in Mutual funds	-	-
HDFC Mutual Fund		
HDFC Overnight Fund - Direct Plan Growth Option (Units - 65,012.511)	2,052.74	-
HDFC Liquid Fund - Direct Plan Growth Option (Units - 4,045.5218)	-	914.04
SBI Mutual Fund		
SBI Overnight Fund Direct Growth (Units - 43,885.595)	1,519.04	-
SBI Liquid Fund Direct Growth (Units - 55,491.410)	-	1,787.72
Kotak Mutual Fund		
Kotak Overnight Fund Direct Growth (Units - 98,239.700)	1,113.84	-
Kotak Liquid Direct Plan Growth (Units - 83,102.322)	-	3,456.27
Investment in Debentures		
Investments at amortized cost		
Investment in Non Convertible Debentures(NCDs) of Kotak Mahindra Prime Limited- Secured (Coupon rate - 7.56%, Credit Rating- AAA)	2,026.77	-
Less: Impairment allowance	(0.40)	-
Total	6,711.99	6,158.03
Aggregate Amount of Quoted Investments	6,710.42	6,153.79
Market Value of Quoted Investments	6,712.39	6,158.03
Aggregate Amount of Unquoted Investments	-	-
Aggregate Amount of Impairment in Value of Investments	(0.40)	-

NOTE 9 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured, considered good	2,917.72	1,796.46
Less: Impairment loss allowance	(0.56)	(0.35)
Total	2,917.16	1,796.11

Note: Represents the amount receivable from KMBL (Refer Note 30).

Schedules

to the Financial Statements for the year ended 31st March, 2022

TRADE RECEIVABLES - AGEING

(₹ in Lakhs)

Particulars	As at 31 st March, 2022					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	2,917.72	-	-	-	-	2,917.72
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
Less: Impairment allowance	(0.56)	-	-	-	-	(0.56)
Total	2,917.16	-	-	-	-	2,917.16

(₹ in Lakhs)

Particulars	As at 31 st March, 2021					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	1,796.46	-	-	-	-	1,796.46
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-
Less: Impairment allowance	(0.35)	-	-	-	-	(0.35)
Total	1,796.11	-	-	-	-	1,796.11

NOTE 10 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Cash on hand	206.52	1,065.00
Balances with banks in current account	1,609.75	1,737.98
Fixed Deposits	-	-
Sub total	1,816.27	2,802.98
Less: Impairment loss allowance	(0.32)	(0.34)
Total	1,815.95	2,802.64

NOTE 10A BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Balance in fixed deposits	3,929.00	2,030.00
Less: Impairment loss allowance	(0.77)	(0.40)
Total	3,928.23	2,029.60

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 11 SHORT TERM LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
First Loss Default Guarantee (FLDG) Receivables		
Unsecured, considered good	220.52	31.71
Significant increase in Credit Risk	501.53	273.62
Credit impaired	3,195.92	6,321.58
	3,917.97	6,626.91
Loans to employees		
Secured, considered good	111.28	117.43
	4,029.25	6,744.34
Less: Impairment loss allowance	(2,220.48)	(4,191.89)
Total	1,808.77	2,552.45

The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("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.

The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("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.

NOTE 12 OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Deposit with insurance companies	361.22	229.13
Less: Impairment loss allowance	(0.07)	(0.06)
Total	361.15	229.07

NOTE 13 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Balance with government authorities	9.56	9.56
Prepaid expenses	164.59	91.93
Others	102.35	77.39
Total	276.50	178.87

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 14 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	No. of Shares held	₹	No. of Shares held	₹
Authorised				
3,50,00,000 (March 31, 2020: 3,50,00,000) Equity shares of ₹ 10 each with voting rights	35,000,000	3,500.00	35,000,000	3,500.00
50,00,000 (March 31, 2020: 50,00,000) Optionally Convertible Preference Shares of ₹ 10 each	5,000,000	500	5,000,000	500
Total	40,000,000	4,000	40,000,000	4,000
Issued, subscribed and paid up				
2,67,28,661 (March 31, 2020: 2,67,28,661) equity shares of ₹ 10 each with voting rights	26,728,661	2,672.87	26,728,661	2,672.87

a. Reconciliation of number of shares outstanding at the beginning and end of the year :

Particulars	No. of shares	Face Value	₹ in Lakhs
Equity shares of ₹ 10 each, fully paid-up			
As at April 1, 2020	26,728,661	10	2,672.87
Add/(less) : Movement during the year	-	-	-
As at March 31, 2021	26,728,661	10	2,673
As at April 1, 2021	26,728,661	10	2,673
Add/(less) : Movement during the year	-	-	-
As at March 31, 2022	26,728,661	10	2,673

b. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However, no preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates:

Particulars	No. of Shares held		As at 31 st March, 2022		As at 31 st March, 2021	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
Kotak Mahindra Bank Limited	26,728,661	100.00%	26,728,661	100.00%	26,728,661	100.00%

d. Details of shareholders holding more than 5% shares in the company:

Particulars	No. of Shares held		As at 31 st March, 2022		As at 31 st March, 2021	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
Kotak Mahindra Bank Limited	26,728,661	100%	26,728,661	100%	26,728,661	100%

e. The Company has not bought back any shares and has not issued any shares pursuant to contract without payment being received in cash and by way of bonus shares during the period of five years immediately preceding the date as at which the Balance Sheet is prepared.

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 15 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Securities Premium	400.93	400.93
Statutory Reserve	1,571.39	1,571.39
Retained Earnings	27,547.32	19,580.95
Total	29,519.64	21,553.27

Notes

1. Nature and purpose of reserves

Securities Premium

Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserve is restricted by the Companies Act, 2013.

Statutory Reserve

Before the Company de-registered itself as an Non Banking Finance Company, it was required to appropriate 20% of its profits as per Section 45 IC of the Reserve Bank of India Act, 1934.

Retained Earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

2. Other equity movement

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Securities Premium		
Opening balance	400.93	400.93
Addition during the year	-	-
Closing balance	400.93	400.93
Statutory Reserve		
Opening balance	1,571.39	1,571.39
Addition during the year	-	-
Closing balance	1,571.39	1,571.39
Retained Earnings		
Opening balance	19,580.95	17,081.06
Profit for the year	7,950.48	2,479.06
Other comprehensive income for the year (net of tax)	15.89	20.83
Closing balance	27,547.32	19,580.95

NOTE 16 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Lease Liability (Refer Note 31)	291.63	340.82
Total	291.63	340.82

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 17 LONG TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for employee benefits		
Compensated Absences	216.18	198.30
Total	216.18	198.30

NOTE 18 TRADE PAYABLES

As on 31 March 2022

(₹ in Lakhs)

Particulars	As at 31 st March, 2022				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	1,424.67	-	-	-	1,424.67
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-
Total	1,424.67	-	-	-	1,424.67

As on 31 March 2021

(₹ in Lakhs)

Particulars	As at 31 st March, 2021				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	1,508.74	-	-	-	1,508.74
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-
Total	1,508.74	-	-	-	1,508.74

NOTE 19 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Amount received from Kotak Mahindra Bank Limited	347.95	3,160.26
Lease Liability (Refer Note 31)	49.19	42.47
Salaries payable	60.42	20.26
Total	457.56	3,222.99

NOTE 20 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Statutory dues payable	290.75	218.28
Gratuity (Refer Note 32)	6.34	13.35
Other payables	291.08	10.60
Total	588.17	242.23

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 19(A) SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for employee benefits		
Compensated Absences	-	47.63
Others		
Provision for Expenses	194.19	194.19
Provision related to managed portfolio	2,568.79	1,766.18
Total	2,762.98	2,008.00

NOTE 21 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2022	For the y ear ended 31 st March, 2021
Business Correspondent Service Fees (Refer Note 36)	24,210.87	19,077.82
Interest income on FLDG Receivables*	266.15	109.81
Micro Insurance commission	798.60	214.74
Total	25,275.62	19,402.37

*For stage 3 FLDG interest receivables, the interest income is recorded net off ECL

NOTE 22 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Interest Income for Financial Assets measured at Amortized Cost		
Interest income on fixed deposits	801.61	742.21
Interest income on loan to employees	10.53	10.05
Unwinding of discount on security deposit	1.79	1.25
Interest Income on NCDs	150.92	150.59
Net gain on fair value changes for investments		
Investments at Fair Value Through Profit and Loss	210.27	150.71
Liabilities no longer required written back	-	113.30
Profit on sale of fixed assets	2.15	-
Miscellaneous Income	18.42	8.65
Total	1,195.69	1,176.76

NOTE 23 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Salaries and wages	8,305.80	7,096.84
Contribution to provident and other funds	574.02	355.74
Compensated absences	130.48	61.60
Staff welfare expenses	235.09	218.21
Total	9,245.39	7,732.39

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 24 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Interest on Borrowings	-	0.66
Interest on Lease Liability (Refer Note 31)	25.85	23.63
Total	25.85	24.29

NOTE 25 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Rent	688.82	607.12
Communication cost	214.88	195.87
Travelling and conveyance	1,353.06	844.53
Legal, professional and consultancy charges	26.22	14.60
Repairs and maintenance	226.56	145.93
Insurance	8.06	11.84
Printing and stationary	127.57	96.91
Electricity and water charges	208.48	174.70
Payment to auditors (Refer Note 28)	13.91	13.05
Bank Charges	67.63	68.78
Director's remuneration	8.00	6.30
Membership, subscription and conference	4.60	3.28
Impairment Loss on financial assets and other provisions		
Guarantee provision and Provision on First Loss Default Guarantee Receivables including bad debts written off	3,217.70	6,727.69
Trade Receivables	0.22	(0.99)
Bank Balances	1.52	(8.37)
Other Financial Asset	4.32	(9.65)
Non Convertible Debentures	-	(0.88)
Rates and Taxes	93.03	66.40
Postage and courier	18.34	12.49
Overlap/Credit Report Charges	22.87	21.34
CSR Expenditure (Refer Note 30)	131.58	128.31
Disaster Recovery Charges	8.57	8.57
Loss on Sale or Disposal of PPE	-	1.99
Miscellaneous expenses	62.85	49.41
Total	6,508.76	9,179.19

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 26 TAX EXPENSE

(a) Amounts recognised in the statement of profit and loss

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Current tax expense		
Current period	2,311.03	1,530.07
Changes in estimates related to prior years	(36.14)	(16.02)
Total current tax expense (A)	2,274.89	1,514.05
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	281.12	(688.63)
Deferred tax expense (B)	281.12	(688.63)
Tax expense for the year (A)+(B)	2,556.01	825.42

(b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2022			For the year ended 31 st March, 2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
(a) Remeasurements of defined benefit liability (asset)	21.23	(5.34)	15.89	27.84	(7.01)	20.83
Total	21.23	(5.34)	15.89	27.84	(7.01)	20.83

(c) Reconciliation of effective tax rate

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Profit before tax	10,506.49	3,304.48
Tax Rate	25.17%	25.17%
Tax using applicable tax rate	2,644.27	831.67
Tax effect of:		
Change in tax rates	-	-
Tax effects of amounts which are not deductible for taxable income	(55.51)	7.60
Changes in estimated related to prior years	(36.14)	(16.02)
Others	3.39	2.17
Total income tax expenses	2,556.01	825.42

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 26 TAX EXPENSE (CONTINUED)

(d) Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As at 31 st March, 2022				
	Net balance March 31, 2021	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liabilities)
Deferred tax asset/(liabilities)					
Property, plant and equipment	78.74	(12.99)	-	-	65.75
First Loss Default Guarantee (FLDG) Receivables	1,005.88	(468.79)	-	-	537.09
Investments	(1.07)	0.57	-	-	(0.50)
Provision for employee benefits	60.52	(0.77)	(5.34)	-	54.41
Provision related to managed portfolio	444.52	202.00	-	-	646.52
Other Provisions	48.89	-	-	-	48.89
Lease under IndAS 116	34.83	(1.15)	-	-	33.68
Total	1,672.31	(281.12)	(5.34)	-	1,385.84

(₹ in Lakhs)

Particulars	As at 31 st March, 2021				
	Net balance March 31, 2020	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net Deferred tax asset / (liabilities)
Deferred tax asset/(liabilities)					
Property, plant and equipment	66.07	12.67	-	-	78.74
First Loss Default Guarantee (FLDG) Receivables	692.63	313.25	-	-	1,005.88
Investments	-	(1.07)	-	-	(1.07)
Provision for employee benefits	48.64	18.89	(7.01)	-	60.52
Provision related to managed portfolio	70.06	374.46	-	-	444.52
Other Provisions	77.39	(28.50)	-	-	48.89
Lease under IndAS 116	35.90	(1.07)	-	-	34.83
Total	990.69	688.63	(7.01)	-	1,672.31

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 27 EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
A)	Net profit attributable to equity holders (Amount in Lakhs)	7,950.48	2,479.06
B)	Adjustments	-	-
C)	Profit attributable to equity holders of the Company adjusted for the effect of dilution	7,950.48	2,479.06
D)	Weighted average number of ordinary shares		
	Issued ordinary shares at the beginning of the year (Lakhs)	267.29	267.29
	Weighted average number of shares (in lakhs) at the end of the year for basic EPS (Lakhs)	267.29	267.29
E)	Weighted average number of shares at 31 March adjusted for the effect of dilution(Lakhs)	267.29	267.29
F)	Face value per share (INR)	10.00	10.00
G)	Basic earnings per share (INR)	29.75	9.27
H)	Diluted earnings per share (INR)	29.75	9.27

NOTE 28 CONTINGENT LIABILITIES

(₹ in Lakhs)

Sr. No.	Particulars	As at 31 st March, 2022	As at 31 st March, 2021
	Contingent liabilities:		
a)	First Loss Default Guarantee	38,498.88	15,119.27
	Total	38,498.88	15,119.27

Note: Of the above contingent liabilities, the company has provided ₹ 2068.79 lakhs (PY: 1766.18 lakhs) towards expected credit loss on the FLDG given to the KMBL.

NOTE 29 PAYMENT TO AUDITORS

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
	Payment to the auditor as:		
a)	Audit fees	13.50	12.00
b)	For reimbursement of expenses	0.41	1.05
	Total	13.91	13.05

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to the Financial Statements for the year ended 31st March, 2022

NOTE 30 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the provisions of the Section 135 of the Companies Act, 2013, the Company is required to spend ₹ 131.74 lakh during the year on CSR activities and ₹ 132.24 Lakh has been spent towards activities as mentioned below. Unspent amount for financial year 2021-22 is Nil.

Details of CSR expenditure

Particulars	(₹ in Lakhs)	
	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Corporate Social Responsibility expenses for the period	131.58	128.31
Various Head of expenses included in above:		
CSR Expenditure (Refer Note 30)		
Gross amount required to be spent by the company during the year	131.74	127.64
Amount brought forward from previous year	0.67	-
Amount spent during the year on:		
Construction/ acquisition of any asset	-	-
Health Care - Safe Drinking water	2.16	30.58
Education and Livelihood	129.41	97.72
Details of related party transactions	-	-
Provision for CSR expenses		
Opening balance	-	-
Add: Provision created during the period	-	-
Less: Provision utilised during the period	-	-
Closing Balance	-	-
The amount of shortfall / (excess) at the end of the year out of the amount required to be spent by the Company during the year	(0.50)	(0.67)
The total of previous years' shortfall amounts	-	-

NOTE 31 RELATED PARTY DISCLOSURES

Related party disclosures, as required by notified Ind AS 24 - 'Related Party Disclosures' are given below:

A. Names of Related Parties

Sr. No.	Particulars	(₹ in Lakhs)	
		Country of Incorporation	Proportion of ownership interest
a)	Holding company:		
	Kotak Mahindra Bank Limited (Promoter)	India	100.00%
	Mr. Uday S. Kotak along with his relatives and enterprises in which he has beneficial interest holds 25.98% of the equity share capital and 17.27% of the paid-up share capital of Kotak Mahindra Bank Limited as on March 31, 2022.		
b)	Fellow subsidiaries with whom transactions have taken place during the year:		
	Kotak Mahindra Life Insurance Company Limited	India	
	Kotak Mahindra Prime Limited	India	
	Kotak Mahindra General Insurance Company Limited	India	
c)	Key Management Personnel / Directors		
	Narayan Subramaniam Ayypankav - Director		
	Devarajan Kannan - Director		
	Sambasivakumar Balasubranian - Director		
	Chandrashekhar Shrikrishna Sathe - Director (Retired on 07 January 2022)		
d)	Post employment benefit plans		
	BSS Microfinance Limited Employees Group Gratuity Trust (BMLEGGT) (Refer Note 32)	India	

Schedules

to the Financial Statements for the year ended 31st March, 2022

B. Transactions with key management personnel

i. Key management personnel compensation

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
i.	Short-term employee benefits	-	-
ii.	Contribution to funds	-	-
iii.	Director sitting fees	8.00	6.30

Note: The above figures do not include provisions for encashable leave and gratuity, as separate actuarial valuation are not available

ii. Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(₹ in Lakhs)

Nature of Transaction	Year ended March 31	Holding Company	Fellow subsidiaries			Total
			Kotak Life Insurance	Kotak General Insurance	Kotak Mahindra Prime	
Interest income on fixed deposit	2022	583.65	-	-	-	583.65
	2021	686.94	-	-	-	686.94
Interest Income on NCDs	2022	-	-	-	150.92	150.92
	2021	-	-	-	150.59	150.59
Service fee income	2022	24,210.87	-	-	-	24,210.87
	2021	19,077.82	-	-	-	19,077.82
Amount received towards rendering of services	2022	-	-	-	-	-
	2021	-	-	-	-	-
Micro-Insurance Commission	2022	-	768.88	29.72	-	798.60
	2021	-	214.74	-	-	214.74
Interest expense	2022	-	-	-	-	-
	2021	0.66	-	-	-	0.66
Insurance Premium Paid	2022	-	11.51	89.08	-	201.18
	2021	-	-	76.39	-	152.79
Expenses incurred	2022	13.53	-	-	-	13.53
	2021	11.13	-	-	-	11.13
Balance Outstanding						
Balance in current account (Net of impairment allowance)	2022	903.91	-	-	-	903.91
	2021	1,295.05	-	-	-	1,295.05
Fixed deposits (Net of impairment allowance)	2022	16,588.91	-	-	-	16,588.91
	2021	9,049.08	-	-	-	9,049.08
Investment in NCDs (Net of impairment allowance)	2022	-	-	-	2,026.37	2,026.37
	2021	-	-	-	2,026.67	2,026.67
Trade receivables (Net of Impairment allowance)	2022	2,917.16	89.89	4.65	26.52	3,038.22
	2021	1,729.10	54.44	-	26.52	1,810.06
Insurance deposit (Net of Impairment allowance)	2022	-	298.13	63.08	-	361.22
	2021	-	207.15	20.55	-	227.70
Prepaid insurance	2022	-	58.75	71.50	-	130.25
	2021	-	-	42.60	-	42.60
Advance received	2022	347.95	-	-	-	347.95
	2021	3,160.26	-	-	-	3,160.26
Other Payables	2022	389.96	254.16	-	-	644.12
	2021	171.22	0.98	-	-	172.21
First Loss Default Guarantee (Contingent Liability)	2022	38,498.88	-	-	-	38,498.88
	2021	15,119.27	-	-	-	15,119.27

Schedules

to the Financial Statements for the year ended 31st March, 2022

iii. Terms and conditions of transactions with related parties

All transactions with these related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances (excluding collateralized borrowings) at the year-end are unsecured and settlement occurs in cash.

NOTE 32 LEASE DISCLOSURES

The Company has taken head office premises under cancellable operating lease or leave and license agreement. The tenor of the lease is 15 years with a lock in period of 5 years and cancellable after 5 years by lessee on giving 2 months notice and renewable by mutual consent on mutually agreeable terms.

Right Of Use Asset - Building

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2022	As at 31 st March, 2021
Opening Balance	256.87	175.39
Add: Additions during the year	-	109.26
Less: Accumulated Depreciation	-	-
Less: Depreciation charge for the year	39.10	27.78
Closing Balance	217.77	256.87

Maturity analysis of lease liabilities

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2022	As at 31 st March, 2021
Less than one year	71.74	68.32
One to five years	302.14	309.19
More than five years	39.99	104.67
Total undiscounted lease liabilities at March 31, 2022	413.87	482.18
Lease liabilities presented in balance sheet		
Current	49.19	42.47
Non Current	291.63	340.82

Amounts recognised in Profit and loss

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2022	As at 31 st March, 2021
Interest on lease liabilities	25.85	23.63
Depreciation charge for the year	39.10	27.78
Total	64.95	51.41

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2022	As at 31 st March, 2021
Total cash outflow for leases	68.32	54.40

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to the Financial Statements for the year ended 31st March, 2022

Right of Use Asset

(₹ in Lakhs)

Particulars	ROU Asset - Building	Prepaid Rent	Total
Opening as on April 1, 2020	167.18	8.21	175.39
Add: Additions during the year	104.26	5.00	109.26
Less : Depreciation for the year	(26.53)	(1.25)	(27.78)
Closing as on March 31, 2021	244.91	11.96	256.87
Opening as on April 1, 2021	244.91	11.96	256.87
Add: Additions during the year			
Less : Depreciation for the year	(37.92)	(1.18)	(39.10)
Closing as on March 31, 2022	206.99	10.78	217.77

Prepaid rent on lease hold premises which were earlier classified under other Current Assets have been reclassified into Right Of Use Asset.

Short term leases and Leases of low value assets

The Company has elected not to recognise right of use assets and lease liabilities for short term leases of premises that have a lease term of 12 months or less and leases of low value assets.

Impact on Financial Statements

The Company is committed to ₹ 863.48 Lakhs for short-term leases.

NOTE 33 EMPLOYEE BENEFITS

A. The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund. Under the plan, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The Company recognised INR 574.02 lakhs (previous year INR 355.74 lakhs) for provident fund contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

Gratuity

The Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The Company contributes to a Gratuity Fund administered by trustees and managed by Kotak Mahindra Life Insurance Company Limited, fellow subsidiary. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at Balance Sheet date.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Present value of funded defined benefit obligation (A)	575.82	504.88
Fair value of plan assets (B)	(569.48)	(491.53)
Net liability recognised in the Balance Sheet (A-B)	6.34	13.35

Schedules

to the Financial Statements for the year ended 31st March, 2022

B. Movement in net defined benefit (asset) liability

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

(₹ in Lakhs)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) / liability	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
Opening balance	504.88	445.80	491.53	424.42	13.35	21.38
Included in profit or loss						
Current service cost	106.81	89.99	-	-	106.81	89.99
Interest cost / income	28.51	24.95	27.75	23.75	0.75	1.20
	640.20	560.74	519.28	448.17	120.91	112.57

(₹ in Lakhs)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) / liability	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
Included in OCI						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	(13.85)	(1.36)	-	-	(13.85)	(1.36)
Experience adjustment	(6.66)	(23.78)	-	-	(6.66)	(23.78)
Actual return on plan assets less interest on plan assets	-	-	0.72	2.70	(0.72)	(2.70)
	(20.51)	(25.14)	0.72	2.70	(21.23)	(27.84)
Other						
Contributions paid by the employer	-	-	93.35	71.38	(93.35)	(71.38)
Benefits paid	(43.87)	(30.72)	(43.87)	(30.72)	-	-
Closing balance	575.82	504.88	569.48	491.53	6.34	13.35
Represented by						
Net defined benefit asset					-	-
Net defined benefit liability					6.34	13.35

C. Plan assets

Plan assets comprise the following:

(₹ in Lakhs)

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	Quoted value	Unquoted value	Quoted value	Unquoted value
Funds Managed by Insurer	-	100%	-	100%
Government of India Securities	-	0.00%	-	0.00%
State Government Securities	-	0.00%	-	0.00%

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D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Discount rate	6.10%	5.65%
Salary escalation rate	8.00%	8.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Attrition/ Withdrawal rate (per annum)	20.00%	20.00%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	(₹ in Lakhs)			
	As at 31 st March, 2022		As at 31 st March, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(28.71)	31.66	(25.77)	28.47
Future salary growth (1% movement)	29.62	(26.71)	25.93	(24.27)

The sensitivity analysis presented above may not be representative of actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

iii. Risk Exposure

A decrease in Government Securities yield will increase plan liabilities. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

Description of Risk Exposures

- Interest Rate Risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
- Salary Escalation Risk:** The present value of the defined benefit plan 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.
- Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
- Regulatory Risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay outs (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

E. Expected Future Cash Flows

Expected contribution:

The Company's best estimate of Contribution during the next year is INR 123.07 lakhs.

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Expected future benefit payments:

Expected cash flows over the next (valued on undiscounted basis)	As at 31 st March, 2022	As at 31 st March, 2021
1 Year	91.09	80.14
2 to 5 years	333.56	276.56
6 to 10 years	224.52	199.28
More than 10 years	185.69	159.78

F. Compensated Absence - Earned Leave

The Company provides for accumulated compensated absences as at the balance sheet date on the basis of an actuarial valuation. The Company recognized ₹ 130.48 lakhs (Previous year : ₹ 61.60 lakhs) for Compensated Absences in the Statement of Profit and Loss.

NOTE 34 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Classification of financial assets and financial liabilities:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities whose carrying amount is a reasonable approximation of fair value.

(₹ in Lakhs)

Particulars	As at 31 st March, 2022			As at 31 st March, 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Non-current assets						
(i) Non-Current Investments	20.00	-	-	20.00	-	2,026.27
(ii) Non-Current Loans and Advances	-	-	3.34	-	-	3.32
(iii) Other non-current financial assets	-	-	17,267.55	-	-	11,275.43
Current assets						
(i) Current Investments	4,685.62	-	2,026.37	6,158.03	-	-
(ii) Trade receivables	-	-	2,917.16	-	-	1,796.11
(iii) Cash and cash equivalents	-	-	1,815.95	-	-	2,802.64
(iv) Bank balance other than (iii) above	-	-	3,928.23	-	-	2,029.60
(iv) Short term loans and Advances	-	-	1,808.77	-	-	2,552.45
(v) Other current financial assets	-	-	361.15	-	-	229.07
Total financial assets	4,705.62	-	30,128.52	6,178.03	-	22,714.89
Financial liabilities						
Non-current liabilities						
(i) Other non-current financial liabilities	-	-	291.63	-	-	340.82
Current liabilities						
(i) Trade payables	-	-	-	-	-	-
(A) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	1,424.67	-	-	1,508.74
(ii) Other current financial liabilities	-	-	408.37	-	-	3,180.52
Total financial liabilities	-	-	2,124.67	-	-	5,030.08

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B. Fair value

Fair values of financial assets and financial liabilities measured as fair value, including their levels in the fair value hierarchy, are presented below.

Particulars	As at March 31, 2022					As at March 31, 2021				
	Carrying amount	Fair value				Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
Financial Assets										
Non-current assets										
(i) Non-Current Investments	20.00	-	-	20.00	20.00	2,046.27	-	2,022.92	20.00	2,042.92
(ii) Non Current Loans and Advances	3.34	-	-	3.34	3.34	3.32	-	-	3.32	3.32
(iii) Other non-current financial assets	17,267.55	-	-	17,267.55	17,267.55	11,275.43	-	-	11,275.43	11,275.43
Current assets										
(i) Current Investments	6,711.99	4,685.62	2,069.29	-	6,754.91	6,158.03	6,158.03	-	-	6,158.03
(ii) Trade receivables	2,917.16	-	-	2,917.16	2,917.16	1,796.11	-	-	1,796.11	1,796.11
(iii) Cash and cash equivalents	1,815.95	-	-	1,815.95	1,815.95	2,802.64	-	-	2,802.64	2,802.64
(iv) Bank balance other than (iii) above	3,928.23	-	-	3,928.23	3,928.23	2,029.60	-	-	2,029.60	2,029.60
(v) Short term loans and Advances	1,808.77	-	-	1,808.77	1,808.77	2,552.45	-	-	2,552.45	2,552.45
(vi) Other current financial assets	361.15	-	-	361.15	361.15	229.07	-	-	229.07	229.07
Total financial assets	34,834.14	4,685.62	2,069.29	28,122.15	34,877.07	28,892.92	6,158.03	2,022.92	20,708.62	28,889.57
Financial liabilities										
Non-current liabilities										
(i) Other non-current financial liabilities	291.63	-	-	291.63	291.63	340.82	-	-	340.82	340.82
Current liabilities										
(i) Trade payables	-	-	-	-	-	-	-	-	-	-
(A) total outstanding dues of creditors other than micro enterprises and small enterprises	1,424.67	-	-	1,424.67	1,424.67	1,508.74	-	-	1,508.74	1,508.74
(ii) Other current financial liabilities	408.37	-	-	408.37	408.37	3,180.52	-	-	3,180.52	3,180.52
Total financial liabilities	2,124.67	-	-	2,124.67	2,124.67	5,030.08	-	-	5,030.08	5,030.08

C. Measurement of fair values

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

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

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

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

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Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximated their fair value. These financial instruments trade receivables, cash and cash equivalents, bank balance, other financial assets, trade payables, employee related payables and other financial liabilities which are considered as financial instruments. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

Valuation techniques used to determine fair value

Investment in equity shares

Investment in Alpha Micro Finance Consultants Private Limited comprises of 200,000 fully Paid Equity Shares of ₹ 10 each - ₹ 20,00,000. This Investee Company was formed by group of Micro Finance NBFCs for the purpose of interacting with credit bureaus and establishing an optimal credit bureau environment for micro finance sector. This investment is long-term investment and unquoted. Fair value is not materially different from the cost.

Fair value of financial assets carried at amortised cost

Short-term Loans

The fair values of loans that do not reprice or mature frequently are estimated using discounted cash flow models. The discount rates are based on internal models and consequently for the purposes of level disclosures categorized under Level 3. The Level 3 loans would decrease (increase) in value based upon an increase (decrease) in discount rate. Since, the Company has charged the interest rates which reflect current market price, the carrying values of these loans approximate their fair values. For purposes of these fair value estimates, the fair values of impaired loans were computed by discounting expected cashflows using appropriate market yield.

Long-term Loans - Deposits

The fair value of demand deposits and savings deposits without defined maturities are the amounts payable on demand. For deposits with defined maturities, the fair values were estimated using discounted cash flow models that apply market interest rates corresponding to similar deposits and timing of maturities.

Investments in Non Convertible Debentures

The fair value of the Company's Investments in Non Convertible Debentures are derived as below:

Fair valuation calculated for debt with residual tenure 6 months or more

Rate for residual tenure is derived from FIMMDA curve plus applicable AAA spread

FIMMDA FBIL 'Par-yield' sheet which is Gsec yield curve is considered + respective tenure AAA NBFC spread

Gsec rate as well as Spread are interpolated based on the residual tenure

Level 3

The table below lists key unobservable inputs to Level 3 financial instruments, and provides the range of those inputs as at March 31, 2021:

Financial Instruments	Significant unobservable inputs	Fair value measurement sensitivity to unobservable inputs
Investments in equity securities	Price	If the price was higher / lower, the fair value would increase / decrease.

Sensitivity analysis of Level 3 financial instruments measured at fair value on a recurring basis

Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects:

(₹ in Lakhs)

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	Increase	Decrease	Increase	Decrease
Investment in unquoted equity shares:				
If price was higher / (lower) by 500 bps, the fair value would increase / (decrease)	1.00	(1.00)	1.00	(1.00)

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D. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk.

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and advances, bank balances and other financial assets. The carrying amounts of following financial assets represent the maximum credit risk exposure:

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2022	As at 31 st March, 2021
Trade receivables	2,917.72	1,796.46
Loans	4,036.43	6,747.72
Investments	20.00	2,047.07
Bank Balances	5,537.98	3,767.58
Other financial assets	17,417.22	11,292.79
Total	29,929.35	25,651.62

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a. Credit quality analysis

The following table sets out the information about the credit quality of financial assets measured at amortised cost.

(₹ in Lakhs)

Particulars	As at 31 st March, 2022				Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit impaired	
Trade Receivables					
Current	-	-	-	-	-
Past due 1–30 days	2,917.72	-	-	-	2,917.72
Past due 31–60 days	-	-	-	-	-
Past due 61–90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	2,917.72	-	-	-	2,917.72
Less: Impairment Allowance	(0.56)	-	-	-	(0.56)
Carrying amount	2,917.16	-	-	-	2,917.16
Loans (other than security deposit and employee loans)					
Current	211.86	-	-	-	211.86
Past due 1–30 days	8.66	-	-	-	8.66
Past due 31–60 days	-	47.73	-	-	47.73
Past due 61–90 days	-	444.52	-	-	444.52
Past due 90 days	-	-	2,995.09	-	2,995.09
	220.52	492.25	2,995.09	-	3,707.86
Less: Impairment Allowance	(2.14)	(139.16)	(1,946.81)	-	(2,088.11)
Carrying amount	218.38	353.09	1,048.28	-	1,619.75

31st March, 2022

(₹ in Lakhs)

Particulars	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit impaired
Investments				
Rated A and above	2,026.77	-	-	-
Less: Impairment allowance	(0.40)	-	-	-
Net carrying amount	2,026.37	-	-	-

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The following table sets out the information about the credit quality of financial assets measured at amortised cost.

(₹ in Lakhs)

Particulars	As at 31 st March, 2021				Total
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit impaired	
Trade Receivables					
Current	-	-	-	-	-
Past due 1-30 days	1,796.46	-	-	-	1,796.46
Past due 31-60 days	-	-	-	-	-
Past due 61-90 days	-	-	-	-	-
Past due 90 days	-	-	-	-	-
	1,796.46	-	-	-	1,796.46
Less: Impairment Allowance	(0.35)	-	-	-	(0.35)
Carrying amount	1,796.11	-	-	-	1,796.11
Loans (other than security deposit and employee loans)					
Current	31.62	-	-	-	31.62
Past due 1-30 days	5.06	-	-	-	5.06
Past due 31-60 days	-	14.49	-	-	14.49
Past due 61-90 days	-	254.94	-	-	254.94
Past due 90 days	-	-	6,320.79	-	6,320.79
	36.69	269.43	6,320.79	-	6,626.91
Less: Impairment Allowance	(0.67)	(81.39)	(4,108.52)	-	(4,190.57)
Carrying amount	36.02	188.04	2,212.28	-	2,436.34

31st March, 2021

(₹ in Lakhs)

Particulars	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit impaired
Investments				
Rated A and above	2,026.67	-	-	-
Less: Impairment allowance	(0.40)	-	-	-
Net carrying amount	2,026.27	-	-	-

b. Amounts arising from ECL

i. Inputs, assumptions and techniques used for estimating impairment:

Inputs considered in the ECL model:

The Company applies various approaches to determine if there has been a significant increase in credit risk. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due information and forecast information to assess deterioration in credit quality of a financial asset.

The company categorises Financial assets into stages based on the days past due status.

- Stage 1: 0-30 days past due
- Stage 2: 31- 90 days past due
- Stage 3: More than 90 days past due

The Company has used simplified approach to provide expected credit loss on trade receivables as prescribed by Ind AS 109 which permits use of lifetime expected credit loss provision for all trade receivables. The Company has historic credit loss data to compute ECL.

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Assumption considered in the ECL model:

- "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs.
- "Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12 month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD.
- "Exposure at default" (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company."

Forward looking information:

The Company incorporates forward looking information into both assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables such as domestic credit growth, change in gross fixed investments etc.. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes.

Assessment of significant increase in credit risk:

The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Accordingly the financial assets shall be classified as Stage 2, if on the reporting date, it has been 30 days past due."

Definition of default:

A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which the company operates and other micro-economic factors. Accordingly the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due. As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, 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.

Policy for write-off of loan assets:

All loans which are not recoverable in the opinion of management are written off.

ii. Impairment loss allowance

The following table shows reconciliations from the opening to the closing balance of the loss allowances and write offs:

Particulars	(₹ in Lakhs)				
	Current	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due more than 90 days
Trade receivables					
Balance as at March 31, 2020	1.34	-	-	-	-
Net remeasurement of loss allowance					
New financial assets originated during the year	(0.48)	-	-	-	-
Financial assets that have been derecognised during the period	(0.51)	-	-	-	-
Balance as at March 31, 2021	0.35				
Net remeasurement of loss allowance					
New financial assets originated during the year	0.56	-	-	-	-
Financial assets that have been derecognised during the period	(0.35)	-	-	-	-
Balance as at March 31, 2022	0.57	-	-	-	-

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(₹ in Lakhs)

Particulars	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans				
Balance as at March 31, 2020	25.95	149.01	2,688.32	2,863.28
Transfer to/from 12 month ECL	(129.12)	4.34	124.78	-
Transfer to/from Lifetime ECL not credit impaired	0.01	(94.93)	94.92	-
Transfer to/from Lifetime ECL credit impaired	0.01	0.02	(0.03)	-
Net remeasurement of loss allowance	113.22	36.58	(50.85)	98.95
New financial assets originated during the year	0.59	76.96	7,778.02	7,855.57
Financial assets that have been derecognised during the period	(10.05)	(108.02)	(2,538.70)	(2,656.77)
Write-offs	-	-	(3,970.46)	(3,970.46)
Balance as at March 31, 2021	0.61	63.96	4,126.00	4,190.57
Transfer to/from 12 month ECL	(8.05)	0.15	7.90	-
Transfer to/from Lifetime ECL not credit impaired	0.00	(42.54)	42.54	-
Transfer to/from Lifetime ECL credit impaired	0.02	0.46	(0.49)	-
Net remeasurement of loss allowance	7.79	8.23	(167.45)	(151.43)
New financial assets originated during the year	2.11	137.94	1,715.90	1,855.95
Financial assets that have been derecognised during the period	(0.39)	(46.48)	(3,760.12)	(3,806.99)
Balance as at March 31, 2022	2.08	121.73	1,964.29	2,088.10

(₹ in Lakhs)

Particulars	Investments	Security deposit, employee loans	Bank Balance	Other financial assets
Balance as at March 31, 2020	1.28	10.96	11.27	0.16
Net remeasurement of loss allowance	(0.88)	(9.58)	(8.37)	(0.10)
Balance as at March 31, 2021	0.40	1.38	2.90	0.06
Net remeasurement of loss allowance	-	4.31	1.52	0.01
Balance as at March 31, 2022	0.40	5.69	4.42	0.07

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iii. Liquidity Risk

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

Maturity Profile of Financial Liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in Lakhs)

Sr. No.	Particulars	Carrying amount	Total	Less than 1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years
As at March 31, 2022								
Financial liabilities								
1	Trade Payables	1,424.67	1,424.67	811.75	594.93	17.99	-	-
2	Other Financial Liabilities	749.19	749.19	397.14	3.99	5.61	342.46	-
Carrying Amount		2,173.86	2,173.87	1,208.89	598.92	23.60	342.46	-

(₹ in Lakhs)

Sr. No.	Particulars	Carrying amount	Total	Less than 1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years
As at March 31, 2021								
Financial liabilities								
1	Trade Payables	1,508.74	1,511.11	2.35	819.08	689.68	-	-
2	Other Financial Liabilities	3,563.81	3,662.70	3,180.52	16.56	51.76	309.19	104.67
Carrying Amount		5,072.55	5,173.80	3,182.87	835.63	741.44	309.19	104.67

iv. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company does not have any exposure to currency risk.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates would adversely affect the Company's financial conditions. The same typically involves looking at Gap or mismatch over different time intervals as at a given date.

Exposure to interest rate risk

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

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Fixed-rate instruments		
Financial Assets		
Investment in Non Convertible Debentures	2,026.37	2,026.67
Fixed Deposits	20,980.91	13,091.11
Total Net	23,007.28	15,117.78

Fair value sensitivity analysis for fixed-rate instruments

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

Schedules

to the Financial Statements for the year ended 31st March, 2022

Variable-rate instruments

There are no financial instruments with variable rate.

NOTE 34 CAPITAL DISCLOSURE

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment. The Company is sufficiently capitalised and no changes were made in objectives, policies or processes for managing capital during the year ended March 31, 2022 and March 31, 2021.

The Company funds its operations through internal accruals and aims at maintaining a strong capital base to support the future growth of its businesses.

NOTE 35 SEGMENT INFORMATION

"An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company is organised into one business unit and has single segment which is acting as a business correspondent to KMBL. The Board of Directors are the Chief Operating Decision Maker ("CODM") of the company and evaluates the Company's performance. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statement. The Company caters only to the domestic market where there are no differing risks and returns and hence, there are no reportable geographical segments."

Information about major customers

Revenue from one customer of the Company is ₹ 24,210.87 Lakhs (PY: ₹ 19,077.82 lakhs) which is more than 10 percent of the Company's total revenue.

NOTE 36 REVENUE FROM CONTRACTS WITH CUSTOMERS

a) The Company has recognised following amounts relating revenue in the Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Revenue from contracts with customers	25,009.47	19,292.56
Revenue from other sources	1,195.69	1,176.76
Total Income	26,205.16	20,469.32
Impairment loss on receivables / (Reversal of impairment Loss)	0.22	(0.99)

The above excludes interest income on First Loss Default Guarantee receivables recognised under Ind AS 109 amounting to ₹ 266.15 Lakhs (PY ₹ 109.81 Lakhs).

b) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market, major service lines :

(₹ in Lakhs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Primary Geographical Market		
India	25,009.47	19,292.56
Major services		
Business Correspondent	24,210.87	19,077.82
Micro Insurance	798.60	214.74
Total	25,009.47	19,292.56
Timing of revenue recognition		
Over a period of time	24,210.87	19,077.82
At a point in time	798.60	214.74
Total	25,009.47	19,292.56

Schedules

to the Financial Statements for the year ended 31st March, 2022

c) Contract Balances

- i. The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(₹ in Lakhs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Receivables	2,917.16	1,796.11

NOTE 37 OFFSETTING

The company has not offset financial assets and financial liabilities during the year.

NOTE 38 RATIO ANALYSIS

Particulars	Numerator	Denominator	For the year ended March 31, 2022	For the year ended March 31, 2021	% of variance	Explanation for change in the ratio by more than 25%
Liquidity ratio						
Current ratio (times)	Current assets	Current liabilities	3.49	2.27	54%	The increase in current ratio for FY22 is mainly due to increase in Trade receivables, Fixed deposits with remaining maturity less than 12 months, Current tax assets and other current assets
Solvency ratio						
Debt-Equity Ratio (times)	Total Debt	Shareholder's Equity	0.01	0.02	-33%	The decrease in debt equity ratio is mainly due to increase in profit after tax for FY22 which is transferred to retained earnings in FY22
Debt Service Coverage Ratio (times)	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Interest + Lease Payments + Principal Repayments	86.66	36.14	140%	The increase in Debt Service Coverage ratio is mainly due to increase in profit after tax for FY22
Profitability ratio						
Net Profit Ratio (%)	Profit After Tax	Total Sales	31.46%	12.78%	18.68%	NA
Return on Equity Ratio (%)	Profit After Tax - Preference Div. (if any)	Average Shareholder's Equity	28.18%	10.79%	17.39%	NA
Return on Capital employed (%)	Earning before interest and tax	Tangible Net Worth + Total Debt + Deferred Tax Liability	32.38%	13.53%	18.85%	NA
Return on Investment (%)	Return on investment	Average Investments	3.88%	4.89%	-1.02%	NA
Utilization ratio						
Trade Receivables turnover ratio (times)			NA	NA	NA	NA
Inventory turnover ratio (times)			NA	NA	NA	NA
Trade payables turnover ratio (times)			NA	NA	NA	NA
Net capital turnover ratio (times)			NA	NA	NA	NA

Schedules

to the Financial Statements for the year ended 31st March, 2022

NOTE 39 THE CODE ON SOCIAL SECURITY, 2020

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. 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.

NOTE 40 OTHER REGULATORY AND STATUTORY INFORMATION

- i. As per section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.
- ii. Wilful Defaulter - Not applicable as the Company has no loans from Banks or Financial Institution and the Company has not been classified as a wilful defaulter
- iii. Compliance with number of layers of companies - Not Applicable as the Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017
- iv. Compliance with approved Scheme(s) of Arrangements - Not Applicable as the Company has no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013
- v. Details of Crypto Currency or Virtual Currency - Not Applicable as the Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- vi. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.
- vii. There has been no charges yet to be registered with ROC beyond the statutory period.
- viii. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) 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
 - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries."
- ix. The Company have 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:
 - (a) 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
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

NOTE 41

The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on June 8, 2022.

For and on behalf of Board of Directors

Sivakumar BS

Director
Place: Mumbai
Date: June 08, 2022

Tapobrat Chaudhuri

Director
Place: Mumbai
Date: June 08, 2022

Kumar S

Chief Executive Officer
Place: Bengaluru
Date: June 08, 2022

Suresh Batchu

Chief Financial Officer
Place: Bengaluru
Date: June 08, 2022

Kavitha P B

Company Secretary
Place: Bengaluru
Date: June 08, 2022

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Bangalore - 560072
Company Website: www.bssmfi.com
Kotak Mahindra Bank Website: www.kotak.com

CIN: U74899KA1994PLC049746