ANNUAL REPORT 2018-19

FINANCING SMALL BUSINESSES

WHAT'S INSIDE

PERFORMANCE HIGHLIGHTS: FY19

Assets under Management (AUM)
₹ 1,153 Crore — 48%* ▲

Net Interest Income (NII)
₹ 105 Crore — 139%* ▲

Total Income
₹ 127 Crore — 119%* ▲

Net Interest Margin (NIM)
10.7% — versus 11.2% in FY18

Profit After Tax (PAT)
₹ 25 Crore — 733%* ▲

*COMPARED TO FY18

FINANCING SMALL BUSINESSES

The true spirit of India's entrepreneurship can be found in small businesses like grocery shops, traders and job workers, who reside at the bottom of the social pyramid. Small Business FinCredit India Private Limited (SBFC) has an overarching objective to partner these entrepreneurs in their journey towards prosperity.

Financing small businesses comes with its own challenges around documentation, unpredictable cashflows, and so on. This is one of the key reasons why these businesses are underserved by most banks and financial institutions. At SBFC, we have put in place a strong, scalable business model to overcome these challenges and cater to the growing financial appetite of these sections of society.

Our products and services are delivered through a phyGital model, a combination of branch and digital channels which provide us the opportunity to enhance our processes and achieve more efficiencies.

Our direct connect and local presence through a hub-and-spoke model provides us with valuable insights into the minds of our customers, strengthening our understanding of underserved markets. Our distinct approach is helping customers move from an informal segment of business to a more formalised ecosystem.

We have laid the foundation for multi-year, mutually beneficial relationships with our customers. Our broad roadmap is to empower businesses and help drive the nation's financial inclusion agenda.

SBFC AT A GLANCE

FULFILLING ASPIRATIONS OF THE UNDERSERVED

Incorporated in 2008, SBFC, over the decade, has emerged as a systemically important Non-Banking Finance Company (NBFC) providing credit to the underbanked and disadvantaged segment of the society. This comprises micro and small entrepreneurs, who reside outside the periphery of the country's top-tier cities and towns.

Our founders have rich experience spanning diverse domains of the banking and financial services sector and are instrumental in helping shape our success. The Singapore-based Clermont Group and the India-based Arpwood Group are equity partners in SBFC.

On 28 September 2017, we undertook a slump sale buyout of the retail business of Karvy Financial Services. We had an equity base of ₹880 Crore and AUM of ₹1,153 Crore as on 31 March 2019. Our presence touches 65 cities across India, with a total team base of 814 people. We also have an end-to-end loan originating and servicing digital platform, that enables us to achieve the dual objectives of rapid growth and higher cost efficiency.

The three straight lines in our logo represent innovation, integrity and excellence and signify our core value system. Integrity is at the heart of our operations, while innovation and excellence are the supporting pillars.

Vision

To build a world-class financial institution delivering scale with profitability consistently.

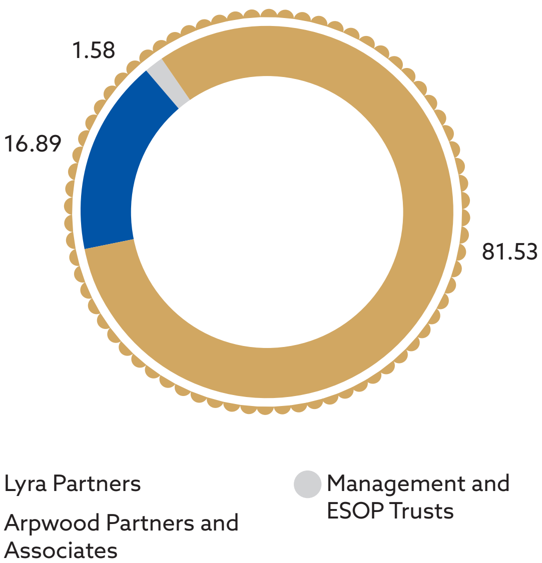
Mission

To make loans easy by designing and delivering them with excellence, innovation and integrity. We will use technology and human knowledge to find deserving customers and make the loan experience easy for them.

Beliefs

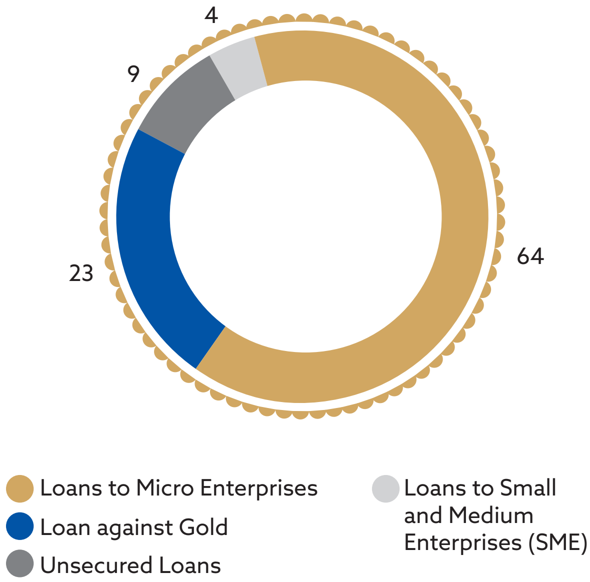
- **Better people**
- **Team spirit**
- **Our work is our art**
- **Customer centricity**
- **Control and Compliance culture**
- **Profit & Loss before Balance Sheet**

Shareholding Pattern (%)*



* As on 31 March 2019

AUM Mix (%)*

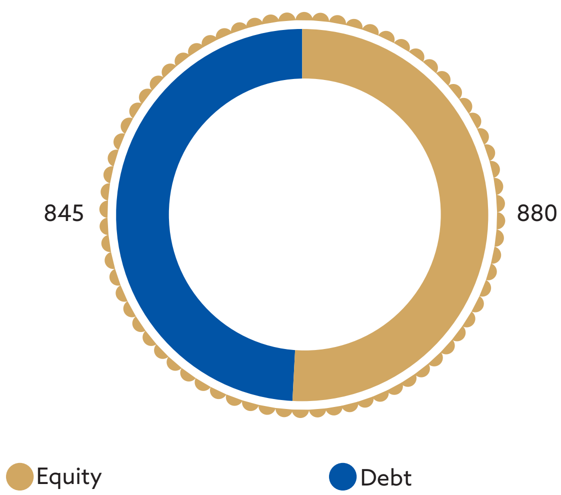


* As on 31 March 2019

Credit Rating

A 'Stable' Rating Assigned by ICRA

Liability Mix (₹ in Crore)*



* As on 31 March 2019

OUR PRODUCT SUITE

A DIVERSE, GROWING PORTFOLIO

Loans to Micro Enterprises

These are secured loans (backed by self-occupied or commercial property) ranging between ₹1 Lakh and ₹75 Lakh and enable the micro enterprises to meet their working capital and term-loan requirements.

Salient Features

- Maximum value for borrowers' assets
- Loan tenures range from 3 years to 12 years
- Priced at competitive interest rates
- Simplified documentation
- Disbursal of loans within a fortnight
- Customers' average Credit Information Bureau India Limited (CIBIL) score (version 2) of 680 and above

Loan against Gold

These loans have an average ticket size of ₹1.02 Lakh at a Loan to Value (LTV) of less than 65%. These are secured against gold, a highly liquid asset.

Salient Features

- Competitive interest rates, charged on diminishing balance of loan
- Disbursal within 30 minutes
- Immediate Payment Service (IMPS) fund transfer facility
- Flexible repayment options

Personal Loans

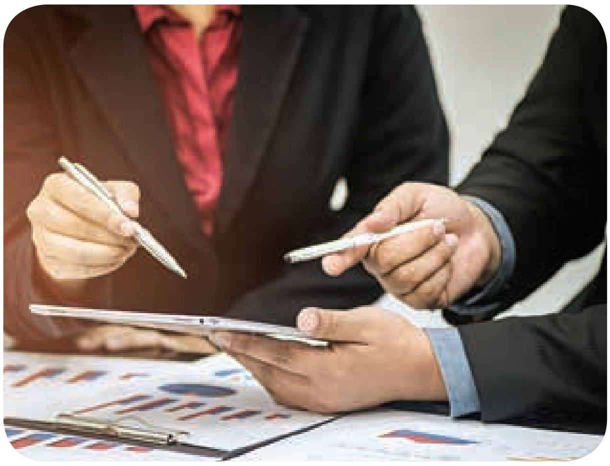
These loans can be availed without pledging the borrowers' assets and are available between ₹50,000 and ₹10 Lakh. These are multi-purpose loans and can be used for weddings, education, travelling, home renovation, purchasing pre-owned vehicles, laptops and similar items. Salaried people earning anywhere above ₹22,000 monthly are our target customers for this product.

Salient Features

- Simplified, digital process for application and approval
- Services at borrowers' doorsteps
- Loan disbursal in 3 days
- Loan tenures range from 6 months to 5 years
- No charge on foreclosure

Business Loans

These are short-term loans that allow borrowers to avail cash discounts from suppliers, provide for enhanced stock during peak seasons and expand their business. These loans range between ₹2 Lakh and ₹10 Lakh.



Salient Features

- Loan against business income without any collateral
- Loan tenures range from 6 months to 4 years
- Competitive interest rates
- Simplified documentation
- Loans disbursed in 5 days

Professional Loans

These are short-term loans given to professionals like doctors and Chartered Accountants (CA). These loans are given to set up office and for other personal purposes, personal and other purposes. These loans range between ₹2 Lakh and ₹15 Lakh.

Salient Features

- Loan against professional income without any collateral
- Loan tenures range from 6 months to 5 years
- Competitive interest rates
- Simplified documentation
- Loans disbursed in 5 days

OUR STRENGTHS

CREATING SUSTAINABLE VALUE

Well-experienced Stewardship

Powered by decades-rich experience, our founders have helped strengthen our foundation in the banking and financial services sector. Their ability to seek opportunities at the right time has enabled us to carve out a distinct identity for our Company in a highly competitive industry. Stewarded by their able guidance and futuristic strategy, we are confident of building on our strong roots and embarking on the next growth phase.

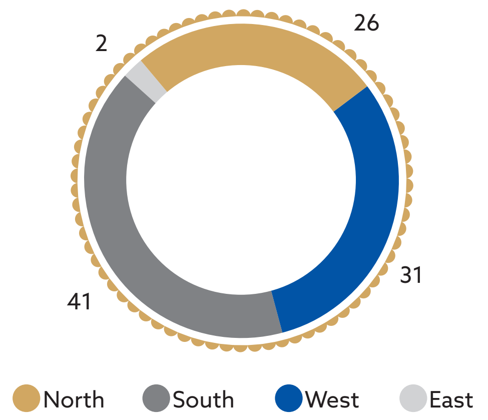
20+ YEAR
Average experience of our founders

Diversified Geographic Presence

Our well-diversified and distributed presence across India represents our crucial strength, setting us apart from the rest. Our growing presence reduces the risk of geographic concentration and allows us to optimise emerging opportunities in each state. Besides, unlike our peers, we do not engage with third-party agents and prefer to directly connect with our customers.

Pan-India Presence

Loan Mix by Region FY19 (%)



Comprehensive Suite of Digital Offerings

In sync with contemporary industry trends, we at SBFC, have adopted digitalisation across our different functions. We provide end-to-end loan processing options spanning origination, disbursement and repayment through our in-house app, LeviOSa.

We also handhold our customers, as they progressively migrate from physical to digital transactions. Additionally, we provide a mobile customer application to our borrowers to make our services available to them at their convenience.

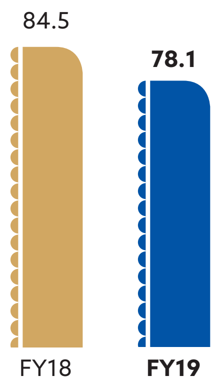
Lending to the Underbanked

We have identified the micro enterprises as our target segment and focus on partnering their journey towards prosperity. Given that these are self-employed borrowers with limited documentation and unpredictable income, many banks and large NBFCs generally tend to be cautious while lending to them.

In such a scenario, they have been relying on unorganised lenders for their financing requirements. Our expansive presence, in-depth local insight and relationships with borrowers help accelerate our overarching mandate for financial inclusion and bring more people into the formal banking ambit.

Empowering through Inclusion

Loan to PSL (%)

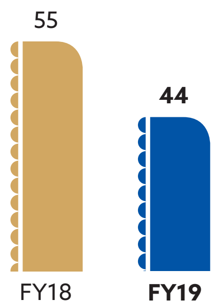


Robust Financial Scorecard

Backed by esteemed investors namely, Clermont Group and Arpwood Group, we began our journey with a well-capitalised balance sheet. Their constant support has enabled us to grow rapidly. Our prudent strategies and focus on driving profitable growth have helped strengthen our profitability quotient. From growth capital to overall profitability and asset quality, we have sustained healthy financials.

Well-capitalised

Tier 1 and Tier 2 capital (%)

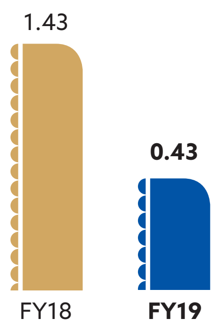


Sound Risk Management Framework

At SBFC, we have adopted a robust, resilient and proactive risk management and compliance culture. We have four distinct business units namely, business, credit, operations and collections, which have independent reporting structure. We ensure not just the presence of, but also compliance with adequate in-system checks and balances. We also deal with our borrowers directly without any intermediaries. This approach strengthens our bond with our borrowers, besides lending strength to our underwriting and risk management practices.

Strong Asset Quality

Gross NPAs (%)



MESSAGE FROM THE FOUNDING TEAM

Dear Stakeholders,
We are delighted to present our Annual Report for the financial year 2019. This is an attempt to initiate communication with key stakeholders to explain the thought behind building the Company.

Our strategy, processes to manage various risks, milestones we have crossed and the challenges we faced are also explained in the Report.

We understand the value that digital processes bring, but also recognise that our customer segment may not yet be ready to fully adopt it. Hence, we are PhyGital. Physically present, but digitally enabled.

Over 45% of India's economy is informal. We are a nation of shopkeepers and small businesses. Individually these businesses are small, but collectively the 55 million units contribute to 37% of the country's GDP and 43% of exports, while employing almost 40% of country's workforce. Only 20% of these get formal credit, the rest have almost no access to formal credit. IFC estimates this to be a $240-billion financing opportunity.

As our name suggests, our Company was set up to meet the aspirations of small businesses spread across the country. The informal sector is underbanked and therein lies our opportunity. While everyone is aware of the unmet requirements of this segment, it is difficult to identify deserving customers with ability and willingness to pay back the loan.

That these businesses reside all around us in urban, semi-urban and rural towns makes the challenge even greater. They are ubiquitous and, therefore, are difficult to reach. They hide in plain daylight. So, on one side while they continue to grapple with paperwork needed by formal lenders and are often met with rejections, what is equally true is that for lenders it is difficult to judge credit worthiness when presented with thin files.

All of us have come together to crack this puzzle and build a path to what is a large and clear opportunity. As enormous the opportunity is, so are the landmines around it. We can succeed, only if we can manage the present dangers on this path. The last two years were spent laying the foundation to build an institution that can deliver scale, profitability and governance. We know the size of the challenge we have embarked upon but as a founding team we are committed to our cause and we are 'all in'.

When one wants to build a company that caters to the unmet credit demand from the informal sector, one needs to build the DNA of the Company in a way that is oriented towards that purpose. We need people, reach, products, policies, processes, technology, risk-buying approach and collection set-ups that can deliver speed with quality – all specifically tailored for our customer segment.

We understand the value that digital processes bring, but we also recognise that our customer segment may not yet be ready to fully adopt it. Hence, we are PhyGital. Physically present, but digitally enabled. We needed technology that would work in small towns with slow and intermittent internet speeds, and hence we built our own app called LeviOSa.

The last two years were spent laying the foundation to build an institution that can deliver scale, profitability and governance.

This is a unique proprietary loan origination process that puts the power in the hands of our people to digitally move the physical documents at the customers' premises and provide them with a quick decision. LeviOSa delivers a decision with a suggested loan amount using artificial intelligence. The final credit decision, however, is taken after a one-on-one discussion with the customer by a credit officer with appropriate delegated authority.

The best risk management happens at the acquisition stage. Hence, we do not have sales officers, but relationship managers who develop the expertise of mapping businesses in their catchment areas. The use of analytics provides suggested business names that drive our relationship managers towards pre-screened customers, rather than relying on random calls being made.

We have tested and deployed two proprietary apps (Delta and Omega), which are used by our collection team that provides real-time information about pending amounts, while giving customers multiple options to pay off a bounced EMI. This is done by using links sent to their phones that are connected to their net-banking and/or digital wallets.

We have created an SBFC app for our customers, so that they can obtain real-time information about their loans, send us request for interest certificates, account statements and avail several other services from their phones.

We have created separate verticals for business, credit, collections and operations to ensure there is no commingling of risks and adequate in-system checks and balances are implemented. A separate internal audit team ensures that our overall business runs on the right track; and we identify, and course correct likely areas of trouble. We extensively use data analytics to observe any emerging negative trend.

The RBI approved co-origination platforms in September 2018, and in January 2019, and along with ICICI Bank we became India's first co-origination platform. The two teams have worked hard to sync credit, operations and technology to deliver credit to the customer fraternity in a collective manner. This represents the trust of a large bank in our processes and is also an opportunity to grow our business in an asset-light manner, reducing the need for high borrowings on our balance sheet, while improving our Return on Equity (RoE).

Making loans easy for the informal sector is a shared dream of our 814-member team, and we all go through the daily grind as we try, make mistakes, learn and improve. What little we have achieved today is the result of their tireless enthusiasm. We are committed to building a workplace where people can bring in ideas and energy and we can provide them resources and opportunities.

We are making good progress. With 91 branches in 65 cities, spread across 15 states and 2 Union Territories (UTs), we are the only exclusively focused small business lender with a wide and growing national footprint. We offer short-term emergency loans against gold, medium-term unsecured loans and term loans for working capital/asset purchase requirements of small business owners and their employees.

Our AUM at the end of the year stood at ₹1,153 Crore, PAT at ₹25 Crore and Gross Non-Performing Assets at 0.43%.

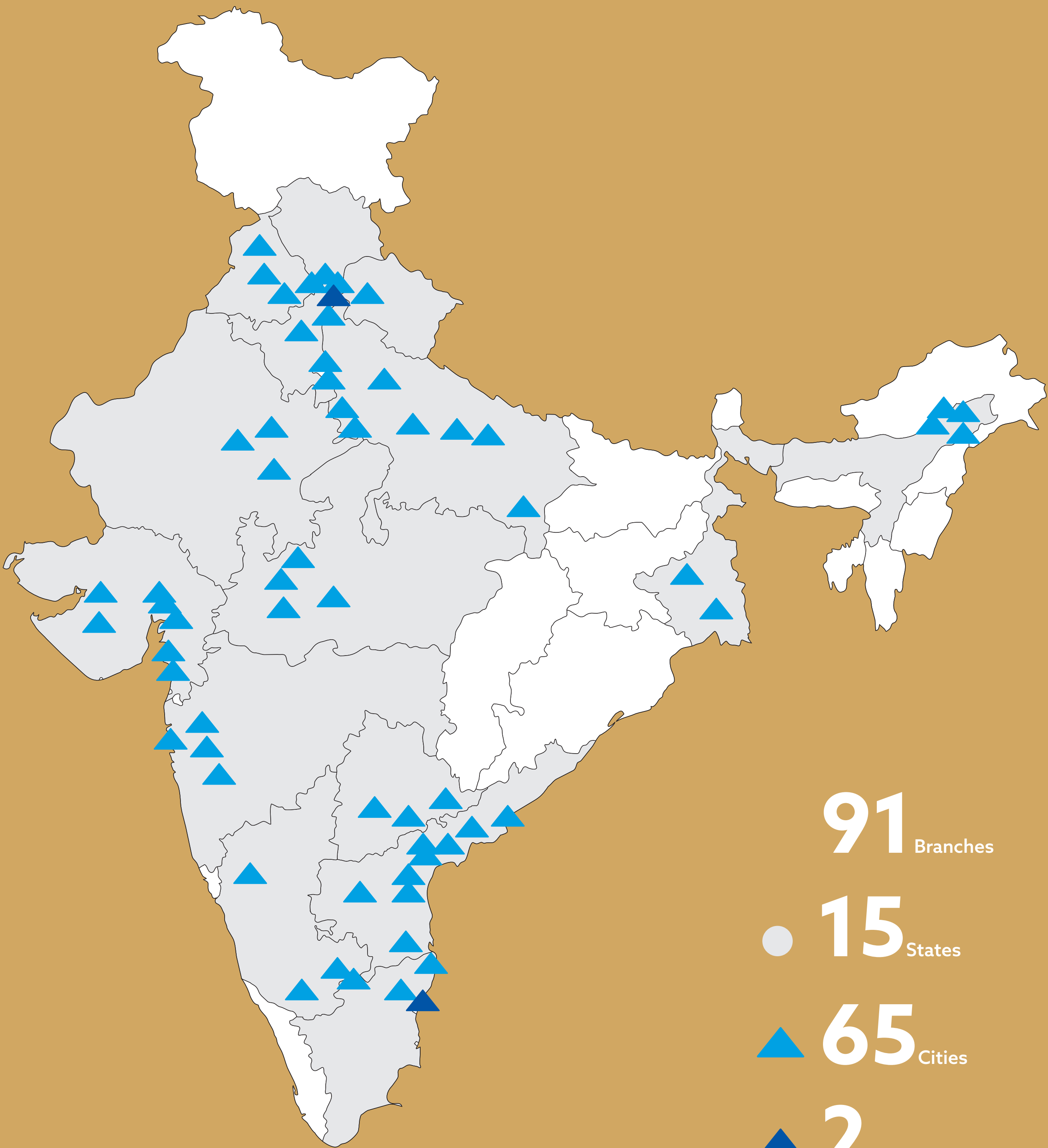
We will experiment, test and either fail early or scale what works. In the coming year, we will continue to build reach by entering new markets, launching innovative products, gaining an enhanced wallet share through cross-selling, and using technology to better our origination, processes and risk management. We are happy about reaching where we have and are thrilled about where we are headed.

Our AUM at the end of the year stood at ₹1,153 Crore, PAT at ₹25 Crore and Gross Non-Performing Assets at 0.43%.

We are thankful to our bankers for reposing and retaining their trust in us, allowing us to continue on our path with confidence. The Board has been a great source of ideas and a strong oversight to ensure SBFC lives up to the high standards of corporate governance. We are deeply thankful for the support, guidance and belief of all stakeholders in us.

OUR PRESENCE

WELL-CONNECTED TO OUR CUSTOMERS



91 Branches

15 States

65 Cities

2 Union Territories

OUR JOURNEY

EXPANDING FOOTPRINT ACROSS GEOGRAPHIES AND PRODUCT SEGMENTS

September 2017
SBFC was born

November 2017
Tied up with ICICI Prudential Life

December 2017
Onboarded key management team

January 2018
Enhanced the micro enterprise programme

February 2018
Tied up with Religare Insurance

March 2018
Launched personal loans

April 2018
Launched LeviOSa, a loan origination system

August 2018
Entered new markets in East Assam and West Bengal

September 2018
Launched APP-based collections – Omega and Delta

Received a 'Stable' rating from ICRA

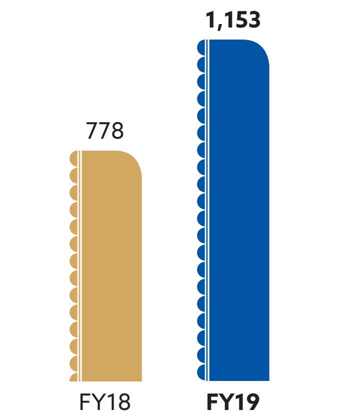
January 2019
Commenced co-origination with ICICI Bank, industry first

February 2019
Launched business loans

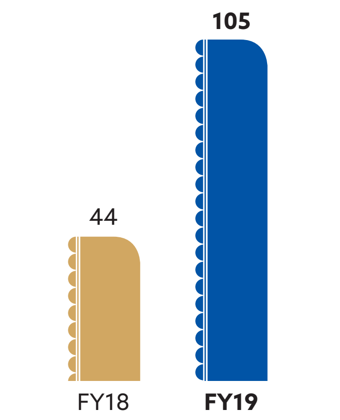
KEY PERFORMANCE INDICATORS

STRONG GROWTH, QUALITY EARNINGS

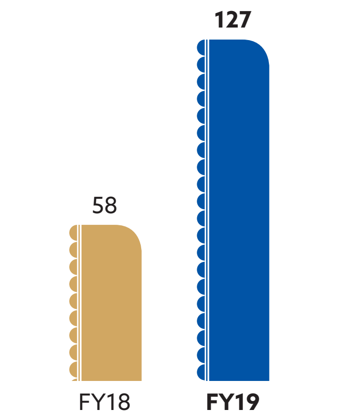
AUM (₹ in Crore)



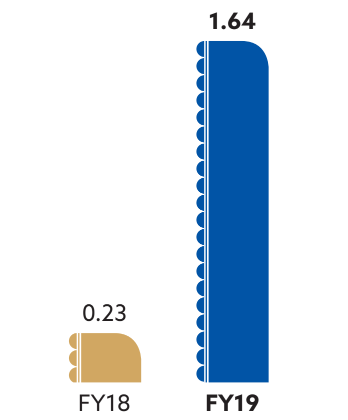
NII (₹ in Crore)



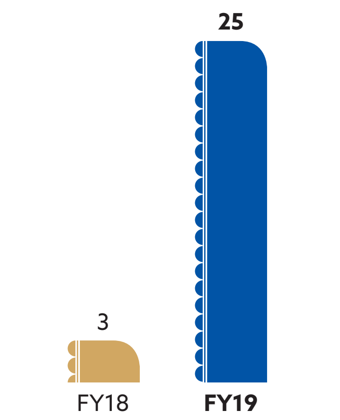
Total Income (₹ in Crore)



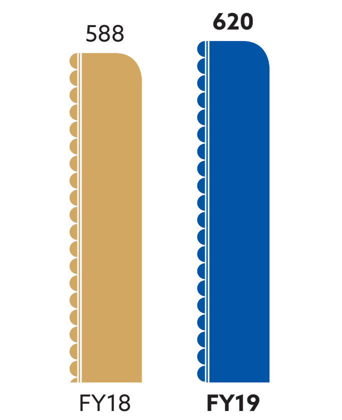
Fee Income (₹ in Crore)



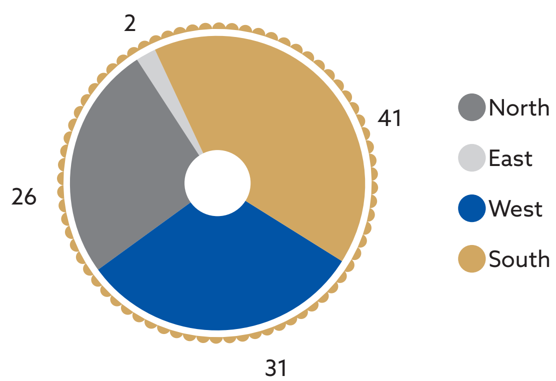
PAT (₹ in Crore)



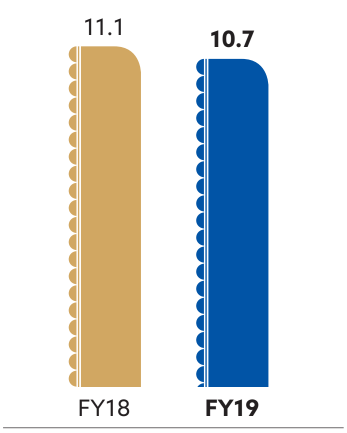
Networth (₹ in Crore)



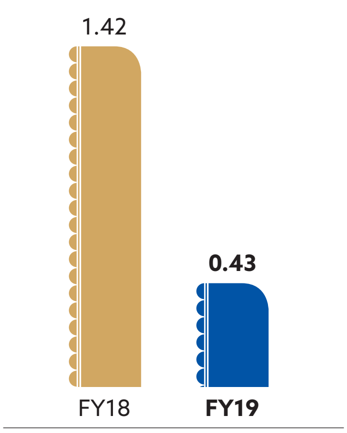
FY19 AUM Mix (%)



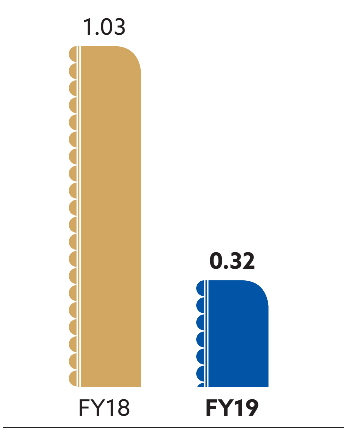
NIM (%)



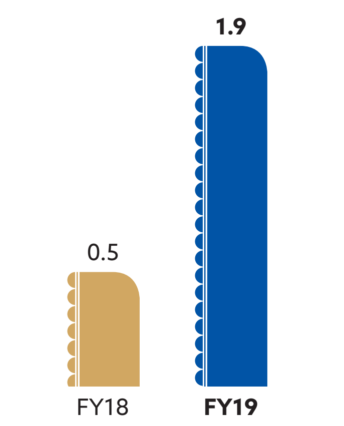
Gross NPA (%)



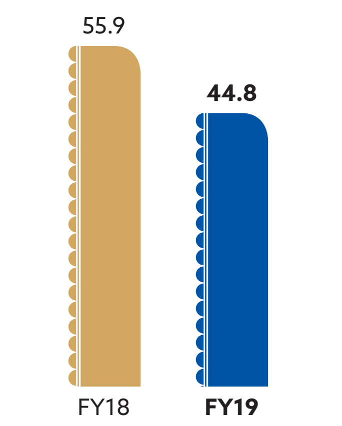
Net NPA (%)



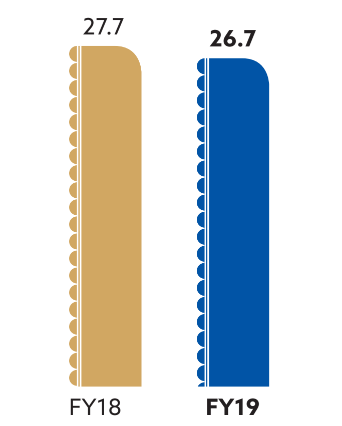
RoA (%)



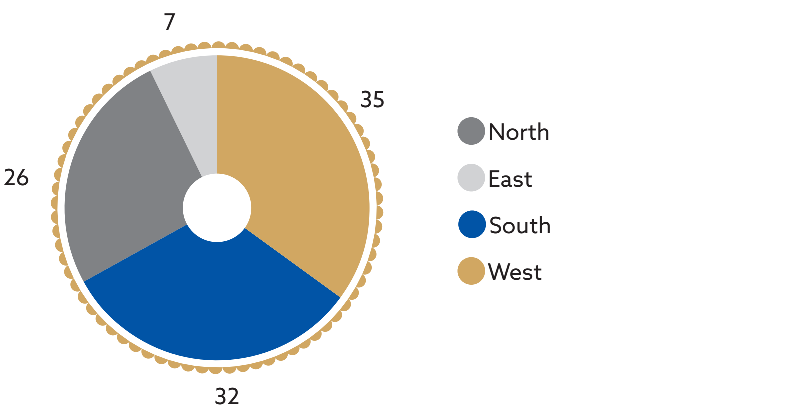
CRAR (%)



Provision Coverage Ratio (%)



FY19 Branch Mix (%)



CUSTOMER CONNECT

FULFILLING BIG DREAMS OF SMALL BUSINESSES

We believe that empowering the nation begins with fulfilling the aspirations of small businesses. Customer centricity represents the backbone of all our activities at SBFC. By enabling faster access to loans to these businesses, we are spreading smiles and building their confidence in the formal lending ecosystem. Their success stories encourage us to strive harder with renewed vigour.

Mr Ramakishan Prabhulal Sharma has come a long way from his modest beginnings as a Pani Puri and Bhel Puri vendor on a wheelbarrow back in 1960.

CHAT BHANDAR'S quality and delicious food won the hearts of customers and they came back for more. The obvious result was that the business began to flourish steadily. As the years rolled by, the next generation too joined the business.

As an aspiring entrepreneur, Mr Sharma planned to add more items to his menu and also began to scout for shops in the neighbouring areas. However, the shop that he found was located in the upscale location around Kalaniketan, JVPD in Mumbai with an exorbitant price tag.

The financial institutions he approached for a loan rejected his application and he was not keen on borrowing funds from private money lenders due to their high interest rates.

He needed a reliable friend in need.
Not surprisingly, SBFC was the obvious choice. One of the SBFC representatives got in touch with him, he applied for a loan and it was confirmed within two weeks. Soon, he bought the shop, expanded his offerings to suit the palate of discerning customers and grew his business rapidly.

He had maintained a credible repayment track record in the first two years of the loan. As the relationship strengthened, we also extended a top-up loan to him for adding Kulfi ice-cream to the menu. The sweetness of the relationship continues to grow, and Mr Sharma is confident to expand the business further.

With the help of SBFC's funds, my business has prospered very fast and we have also successfully created jobs for 12 to 15 people.

- Mr Ramakishan Prabhulal Sharma

Founded by Mr Bhagwan Din Sahu, Capital Menswear began its journey in 1996 in Madhya Pradesh.

It is a Raymond franchise and has gradually expanded its product spectrum across various types of Indo-western fabric, such as kurta pyjama, shirts and trousers, suit, safari, sherwani, jackets and so on.

In 2015, the owners bought one more shop in Mansarovar. In 2018, SBFC helped Capital Menswear buy a bigger shop. The journey since then has been remarkable. With more customers, brand recall and higher profitability, Capital Menswear is growing well.

After our expansion, many politicians and dignitaries from Madhya Pradesh, including former Chief Minister Shivraj Singh Chouhan have visited our shops and continue to prefer our offerings. The loan taken from SBFC enabled us to buy this bigger shop and expand our business. Their customer-friendly approach makes the entire experience delightful.

-Mr Bhagwan Din Sahu

Set up in 2000 by Mr Siraj H, Siraj Jewellers is a proprietorship firm engaged in the business of manufacturing and selling gold and silver ornaments, both in retail and bulk mode. It has ancillary income from bulk jobs, repairs and polishing ornaments.

After Mr Siraj passed away in 2014, his wife Mrs Raziya Siraj took up the mantle of running the business and has been running it successfully since then. The shop is located in the prime location taken on a 99-year lease from the mosque waqf board.

In the journey spanning two decades, the business has nurtured strong relationships with customers, and also offers regular schemes and products to retain customers. To tap into the growing demand and cater to a large customer cross-section, Mrs Raziya now plans to open another shop in a nearby location.

SBFC came to her aid and cleared the loan with speed, thanks to the robust digital capabilities. We are even educating her about diverse ways in which she can service the loan easily at her convenience.

We are happy to have received hassle-free and timely loans from SBFC to fund our expansion plans. We will approach SBFC for our future financial requirements as well.

- Mrs Raziya

DIGITALISATION AT SBFC

EMBRACING PHYGITAL FOR AN ENRICHING EXPERIENCE

Our objective is to enhance efficiency in business, credit, operations, risk management and audit functions to accomplish faster business outcomes and deliver customer delight by:

- Improving customer service by continuing to embrace **a mobile-first architecture**
- Predicting customer behaviour by deploying advanced predictive **analytics** with a combination of **digital** platforms to drive innovation
- Innovating tirelessly across the solutions spectrum, using emerging technologies for business transformation
- Strengthening comprehensive security by deploying a **'Zero Trust Security Model'** - zero compromise on security
- Enhancing IT's cost-efficiency towards contribution to business profitability

Round-the-year Innovation

1. **State-of-the-art engine (LeviOSa)**
   We use enterprise rule engine to make the 'onboarding' process simpler for our executives to make 'loans easy'. This, a mobile and web-based application, is accessible to all internal teams (relationship managers on field, credit teams, CPAs, operations team, among others). The physical documents of customers are digitised and flow seamlessly within our system.

2. **Mobile App (Delta) and Web App (Omega) for collections team**
   This is for our collection agents to help them in collections and providing online receipt and confirmation to the customer on the go, digitally. These applications are integrated with the core Loan Management System, providing immediate upgradations and responses to customers for their payments.

3. **Touch free data handshake with banks for co-origination**
   We take pride in developing a first-of-its-kind module in our Loan Management System that takes care of entire aspects and requirements of the co-origination. Sticking to the Service Oriented Architecture strategy ('Build Once. Use Multiple Times'), the system is ready for co-origination with any bank from day zero.

SBFC: Digital Architecture

Customer Acquisition

- LeviOSa: Loan origination system
- Location-based targeted marketing
- Instant cross-sell

Operational Efficiency and Security

- Reduced TAT
- Higher employee productivity through the ZingHR app
- Integration with India Stack, Perfios, Credit Vidya, FinFort, CIBIL, and so on.
- Robust cyber security mechanism

Payments

- Our collections app
- Integration with Paytm, Bill Desk and so on

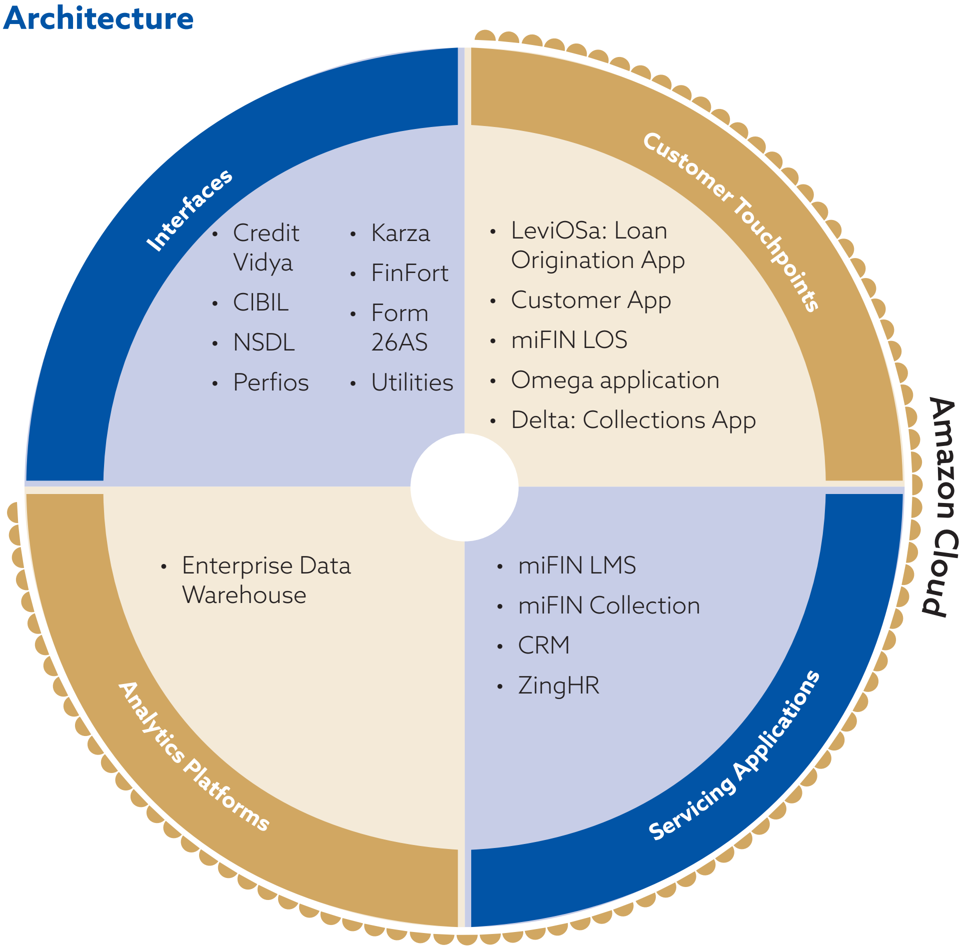
Customer Experience

- Continuous engagement with customers
- * Instant notifications and personalised service to customers

Analytics

- Leveraging analytics to enhance customer service
- Deploy analytics at our enterprise data warehouse

SBFC: Digital Architecture



LEADERSHIP TEAM

STEERED BY SEASONED EXPERTS

Mr Aseem Dhru
Managing Director & CEO

Mr Mahesh Dayani
Chief Business Officer

Mr Narayan Barasia
Chief Finance Officer

Mr Pankaj Poddar
Chief Risk Officer

Mr Manu Mahajan
Chief Operating Officer

Mr Deepak Mudalgikar
Chief Technology Officer

Mr Vivek Tripathi
Chief Human Resource Officer

Mr R Gandhi
Chief Internal Auditor

Mr Pragnesh Soneji
Product Head-Secured Loans

Mr Sriram Kannan
Product Head-Unsecured Loans

ZONAL LEADERSHIP TEAM

DRIVING LOCAL CONNECT

NORTH

Business

Ish Chawla

Credit

Viney Vaid

Collections

Vikas Vij

WEST

Business

Vikas Sharma

Business

Vinay Agrawal

Credit

Rakesh Dugar

Collections

Shashi Rana

SOUTH & EAST

Business

Ashish Singh

Credit

Kiran Kumar

Collections

Rama Chandra R

OUR PEOPLE

LIFE AT SBFC

We are building a culture of consistent 'human excellence' at SBFC. Our priority is to enrich our understanding of the informal customer segment that we provide solutions for and ensure we build a pan-India team, aligned with the vision.

In the preceding two years, we have shaped appropriate policies, compensations and benefits, rewards and recognition for our people. Every assignment has a defined role with key performance indicators and a detailed performance appraisal process.

We have a unique hiring model, wherein our entire team is handpicked from each location. We do not hire through human resource consultants, but have a process of identifying or grooming talent. Our culture is participatory, where every employee feels welcome and valuable. Given our distribution network, we strive to ensure our senior management frequently visits branches to meet employees and ensure communication and redressals where needed.

Initiatives we are proud of

Aarogyam

We regularly conduct free health camps to track our own health indicators, along with portfolio indicators.

Udaan

We understand the importance of career break taken due to family obligations and responsibilities. We also acknowledge the fact that for working women who have stepped out, it is difficult to find opportunities to come back to the mainstream. The initiative is to provide an opportunity to such highly deserving women. In the last six months of launch, we have hired 10 women, who are happy to be in our team.

Parichay

Every employee receives cross-functional exposure in a structured manner that helps understand organisational processes and norms.

Praramb

As part of the induction process, every member is gradually attuned to the culture, values and objectives of SBFC.

MANAGING OUR RISKS

DRIVING PRUDENT GROWTH

At SBFC, our Board of Directors shoulders the responsibility of establishing and monitoring our Company's risk-management framework. It has set up a Risk Management Committee (RMC) for this purpose. This Committee reports to the Board of Directors.

Our policies are aimed at identifying and analysing the risks faced by us, setting appropriate limits and controls and monitoring risks and adherence to those limitations. These policies and systems are reviewed regularly. Our objective is to maintain a disciplined and constructive control environment in which people understand their roles and obligations.

We have also established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Our Company is exposed to various risks and has defined frameworks to manage them.

The prominent ones comprise:

	Risks	Mitigation Measures
Credit Risk	Risk of financial loss to our Company if a customer or counter-party to financial instrument fails to meet its contractual obligations arises principally from the Company's receivables from customers and loans	• The RMC has a credit policy under which each new customer is assessed for creditworthiness before the loan is sanctioned • Our Company's review includes financial statements, repayment track, industry information, alternative data and so on
Concentration Risk	Risk arising from over dependence on a particular industry, geography or loan sizes	• Our policies and procedures include specific guidelines to focus on maintaining a diversified portfolio across industry segments, geography and loan sizes
Risk of Fraud	Risk arising from fraudulent applications and/or incorrect client information	• We have clearly defined guidelines on fraud risk management, which has been approved by our Board • We undertake digital verification checks on a real-time basis • In the back-end, we run fraud algorithms to trigger the credit team to undertake proper checks
Operational Risks	Risks inherent in our Company's business model, such as loss resulting from inadequate or failed internal process, people and systems, or from external events	• We have robust process guidelines with defined Service Level Agreements (SLAs), which are controlled through system platforms and monitored through dashboards • Our audit department identifies, measures, reports, monitors and controls operational risks
Compliance Risks	Any delay in complying with existing and/or upcoming regulations	• Our Company has a dedicated compliance unit to ensure all regulatory filings and compliances are done in a timely and an appropriate manner

MANAGEMENT DISCUSSION AND ANALYSIS

Macroeconomic Overview

Financial year 2018-19 began with January to March 2018 recording GDP growth of 8.10%. The economy seemed as if it had overcome the teething troubles of the nation-wide roll out of the Goods and Services Tax (GST). GDP growth in the third quarter of FY19 reduced to 6.6% due to weaker consumer demand and lower government spending after clocking 8% and 7% growth in the first and second quarter of FY19, respectively. The second advance estimates of national income for FY19 released by the Central Statistics Office (CSO) on 28 February 2019 showed that the economy could not continue the expected growth momentum. The CSO estimates GDP growth in FY19 at 7% compared to 7.2% in FY18.

The Current Account Deficit (CAD) increased to 2.6% of GDP during April-December 2018, up from 1.8% in April-December 2017. There was a net outflow of US$17.5 Billion of foreign currency reserves in April-December 2018 versus a net inflow of US$30.3 Billion over the same period a year earlier.

Consumer Price Index (CPI) inflation rose to a near two-year high of 4.92% in June 2018, driven by surging oil and food prices, but fell to a 19 month low of 1.97% in January 2019, below the RBI's medium-term target of 4%, due to a fall in food prices and minimal increases in fuel costs. The RBI projected headline inflation to remain soft in the near term: 2.4% in Q4 FY19, 2.9% to 3% in H1 FY20, and 3.5% to 3.8% in H2 FY20. It did, however, acknowledge the monsoon risk from El Niño conditions and highlighted uncertainties in oil price movement.

The RBI's Monetary Policy Committee (MPC) recommended two successive cuts of 25 bps each in the repo rates in February, 2019 and April, 2019 bimonthly policy meetings to spur growth. The government has exceeded the disinvestment target for the second year in a row in financial year 2018-19. Disinvestment through the Exchange Traded Fund (ETF) proved to be the best route for the government.

On the back of a widening trade deficit, the CAD increased to 2.6% of GDP during April-December 2018, up from 1.8% in April-December 2017. There was a net outflow of US$17.5 Billion of foreign currency reserves in April-December 2018 versus a net inflow of US$30.3 Billion, over the same period a year earlier. While announcing the interim budget for the FY19 the government revised its targeted fiscal deficit at 3.40% of GDP for FY19, which was met.

Industry Overview

While gross NPAs of scheduled commercial banks declined from 11.5% in March 2018 to 10.8% in September 2018, thus putting out hope of an orderly resolution, systemic liquidity swung between surplus and deficit during FY19, with the RBI needing to intervene to smoothen liquidity flows. This liquidity stress was compounded because of major debt defaults of a systemically important NBFC. The default resulted in a virtual drying up of the money markets, and access to funds for borrowers, such as NBFCs and HFCs were deeply impacted. The consequent increase in interest rates for fresh borrowings in Q3 FY19 resulted in business disruptions. Hence H2 FY19 was an extremely challenging period for both NBFCs and HFCs.

NBFCs have outperformed Scheduled Commercial Banks (SCBs) on growth in advances, asset quality and profitability as per the data published by the RBI in its Financial Stability Report dated 31 December 2018. This growth momentum of NBFCs resulted in its share in the financial services sector expecting an increase in the near future.

Small Business FinCredit (SBFC) Overview and Performance

Some dreams are born in storms. On one stormy night of July 2017, as the incessant rain was lashing the glass panes of the business centre of a Mumbai hotel, some individuals came together and a dream was born. Every dream in business needs execution and finance. Both came together that night with a common vision. To build a world class financial institution delivering scale with profitability through the cycles. How were we going to do this? By making loans easy, designing and delivering them with excellence, innovation and integrity. We will use technological intelligence and human knowledge to find deserving customers and make their loan experience easy.

On 28 September 2017, SBFC did a slump sale buyout of the retail business of Karvy Financial Services. We transferred the branches and employees into SBFC, and bought out a handpicked retail secured portfolio. Thus was born a unique startup with a eight year history! The management team, although comprising individuals with stellar track records in banks and leading NBFCs, has come in because they want to co-write the SBFC story.

SBFC has adopted the Indian Accounting Standards (Ind AS) for FY19. This involves giving Ind AS compliant comparatives for FY18 and as on 1 April 2017, being the date of transition. Accordingly, figures for previous year were recasted and audited by statutory auditors as per the new accounting standards. The highlights of FY19 are as follows:

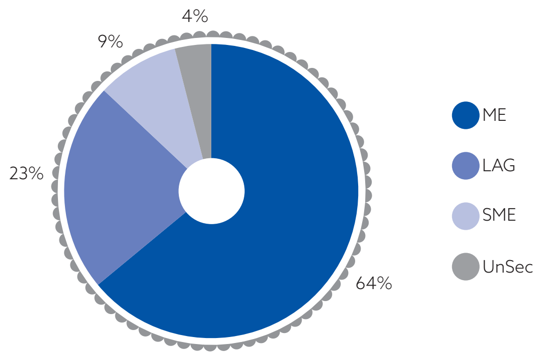
INR Cr	FY19	FY18
Interest Income	155	67
Interest Expense	-50	-23
Net Interest Income	105	44
Fee and Other Income	22	14
Total Operating Costs	-92	-49
Credit Cost Expenses	0	-4
Profit before Tax	35	5
Profit after Tax	25	3

The Asset under Management (AUM) of the Company are as follows:

Products	Mar'19	Mar'18	Y-o-Y Growth
ME Lending	732	421	75%
SME Lending	104	161	-35%
Loan against Gold	268	178	50%
SCV Loan	6	18	-68%
Personal Loan	43	0.4	
Total	**1,153**	**778**	**48%**

SBFC acquired SCV loans and SME lending portfolios and undertook strategic decision to exit the portfolio, while it continues to build the ME lending, loan against gold and personal loan business.

The portfolio mix of SBFC as on 31 March 2019 are as follows:



Risk Management

The Company is exposed to a variety of risks, such as credit, economy, interest rate, liquidity among others risks. The Board of Directors constituted a Risk Management Committee consisting majority of Directors. The terms of reference of the Risk Management Committee include periodic review of the risk management policy, risk management plan, implementing and monitoring of the risk management plan and mitigation of the key risks. The risk owners are accountable to the Risk Committee for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective areas/ functions.

SBFC has a balanced approach to portfolio management coupled with a rigorous portfolio review mechanism which have enabled it to pick up early warning signals and take corrective actions. A robust governance framework ensures that the Board and its committees approve risk strategies and delegate credit authorities accordingly. A robust underwriting practice and continuous risk monitoring ensure that portfolios stay within acceptable risk levels.

Technology

We strongly believe that we can make 'loans easy' only if the process is made easier for employees and customers. With mobile first approach, our employees are empowered with the mobile application for loan origination. Our Loan Origination System, LeviOSa, is a mobile and web application, strong micro-services based workflow engine, integrated with many interfaces online for faster processing and effective credit decisioning. Our analytical rule engine helps us in faster credit decisioning, resulting in the quicker turnaround time to customers. With our mobile customer application, we are handing the power of self-service to our customers.

Human Resources

People are a very valuable resource for SBFC. We believe that our human capital is major driver of our growth, efficiency and productivity. In an increasingly competitive market for talent, we continue to focus on attracting and retaining the right talent.

There was a net addition of 229 employees during the year 2018-19 and the total strength of employees as on 31 March 2019 was 814.

Internal Control System and their Adequacy

SBFC has an independent internal management assurance function which is commensurate with its size and scale. It evaluates the adequacy of all internal controls and processes, and ensures strict adherence to clearly laid down processes and procedures as well as to the prescribed regulatory and legal framework. The Audit Committee of the Board of Directors reviews the internal audit reports and the adequacy and effectiveness of internal controls.

The Company believes that strong internal control system and processes play a critical role in the health of the Company. The Company's well-defined organisational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources.

Opportunities and Threats for NBFC Companies:

Opportunities

India's GDP growth of 7%+ is going to provide a significant advancement opportunity to the NBFC sector. The emerging trends in technology, including Fintech, Mobility, Analytics and Cloud Computing make customer access easy, enabling faster service to its customer. The focus of the government in uplifting the SME segment provides an interesting opportunity to the sector.

Threats

The weakening of the global economy can have a bearing on Indian economy. Additionally, it saw a slowdown in many of its sector, which is a cause of worry for NBFC. Recent defaults of certain NBFCs on commercial papers and debt instrument also caused the liquidity tightness to the sector.

Cautionary Statement

This Report contains forward-looking statements extracted from reports of government authorities/bodies, industry associations and so on, available on the public domain, which may involve risks and uncertainties including, but not limited to, economic conditions, government policies, dependence on certain businesses and other factors. Actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. This Report should be read in conjunction with the financial statements included herein and the notes thereto. The Company does not undertake the responsibility to update these statements.

DIRECTOR'S REPORT

To the Members of Small Business FinCredit India Pvt. Ltd.

Your Directors have pleasure in presenting the Twelfth Annual Report on the business and operations of your Company together with the audited financial statements of the Company for the Financial Year ("FY") ended 31 March 2019.

Financial Performance

(₹ in Crore)

Particulars	FY 2018-19	FY 2017-18
Total Income	176.77	81.63
Total Expenditure	141.80	76.19
Profit before Tax	34.97	5.44
Tax Expense	10.54	2.31
Profit after Tax	24.43	3.13
Amount brought forward from previous year	3.51	0.38
Amount available for appropriation	**27.94**	**3.51**
Appropriations		
Transfer to Reserve Fund u/s 45IC of the RBI Act, 1934	4.88	0
Balance carried forward to Balance Sheet	**23.06**	**3.51**

Your Company posted total income and net profit of ₹176.77 Crore and ₹24.43 Cr respectively for the financial year ended 31 March 2019, as against ₹81.63 Cr and ₹3.13 Cr respectively for the previous year. The Company transferred an amount of ₹4.88 Cr to Reserve Fund under Section 45-IC of the RBI Act, 1934.

Dividend

The Directors do not recommend payment of any dividend on the Equity Shares for FY 2018-19 to conserve capital for future business expansion.

Share Capital

The Company had allotted 1,08,40,000 Equity Shares of ₹10 each of the Company at ₹12.5/- each to the Vistra ITCL (India) Limited, Trustee of SBFC Employee Welfare Trust on 15 March 2019 under Small Business FinCredit Stock Option Policy 2018 ("ESOP Scheme"). The Trust was set up to administer and implement the said ESOP Scheme.

Post allotment of equity shares as aforesaid, the issued, subscribed and paid-up share capital of your Company stands increased to ₹6,86,84,00,000/- (Rupees Six Hundred and Eighty Six Crore Eighty Four Lakh only) comprising of 68,68,40,000 equity shares of ₹10/- each as on 31 March 2019.

Details of the Employees Stock Option Scheme as per Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 as on 31 March 2019 are as follows:

Particular	2018-19
Options granted	5,06,70,000
Options vested	-
Options exercised	-
The total number of shares arising as a result of exercise of option	5,06,70,000
Options lapsed	2,45,000
The exercise price	-
Variation of terms of options	-
Money realised by exercise of options	-
Total number of options in force	**5,04,25,000**

The Key Managerial Personnel of the Company had been granted 2,78,65,000 options.

One employee is granted 1,35,20,000 options which is more than 5% of the total options granted by the Company.

There are no employees who are granted options which are more than or equal to 1% of the paid-up share capital of the Company.

Directors and Key Managerial Personnel

Appointment of Directors:

Mr. Sridhar Srinivasan and Mr. Neeraj Swaroop were appointed as Additional Directors with effect from 28 September 2017 and 21 November 2017 respectively, to hold office till conclusion of the ensuing Annual General Meeting (AGM). At the AGM held on 29 September 2018 the members had passed necessary resolutions for their appointment as Directors of the Company.

Mr. Aseem Dhru was appointed as an Additional Director and Managing Director with effect from 28 September 2017, to hold office till conclusion of the ensuing Annual General Meeting (AGM). At the AGM held on 29 September 2018 the members had passed necessary resolutions for his appointment as Director of the Company and that he would continue to act as Managing Director of the Company with effect from 28 September 2017 for a period not exceeding five years.

Key Managerial Personnel:

During the financial year 2018-19, Mr. Narayan Barasia was appointed as Chief Financial Officer (CFO) of the Company w.e.f. December 19, 2018.

During the financial year 2018-19, Ms. Krupali Harshad Doshi, Company Secretary was appointed as a Company Secretary of the Company with effect from 24 September 2018 and resigned as Company Secretary w.e.f. 31 March 2019. Ms. Swati Amey Morajkar was appointed as Company Secretary w.e.f. 10 April 2019.

Information on the state of affairs of the Company:
Information on the operational and financial performance, among others, is given in the Management Discussion and Analysis Report.

Related Party Transactions:
Your Company has not entered into any transactions with any related party and hence there is no disclosure required under Section 134 (3) of the Companies Act, 2013.

Credit Rating:
The brief details of the ratings received from the credit rating agencies by the Company for its outstanding instruments is given in **Annexure 4.**

RBI guidelines:
The Company continues to comply with all the requirements prescribed by Reserve Bank of India from time to time.

Statutory Auditors:
At the Eleventh AGM of the Company held on 29 September 2018, Deloitte Haskins & Sells LLP ("Deloitte"), Chartered Accountants (ICAI Firm Registration No. 117366W/W-100018) were appointed as the Statutory Auditors of the Company, for a term of five years, to hold office from 1 April 2018 until 31 March 2023 pursuant to Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

Number of meetings of Board:
During the year 31 March 2019 the Board met 5 (five) times. The details of the Board and various committee meetings are given in the Corporate Governance Report annexed as **Annexure 3.**

Audit Committee:
The Audit Committee comprised of the Directors namely, Mr. Sridhar Srinivasan – Chairman, Mr. Neeraj Swaroop and Mr. Amol Jain.

Declaration by Independent Directors of the Company:
The Company has received declaration under Section 149(7) of the Companies Act, 2013 from Mr. Sridhar Srinivasan and Mr. Neeraj Swaroop, Independent Directors.

Directors' Responsibility Statement:
Pursuant to Section 134 of the Companies Act, 2013 ('the Act'), the Directors of the Company do hereby confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed and that there are no material departures thereof;

b) such accounting policies had been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the financial year 2018-19;

c) proper and sufficient care had been taken 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;

d) the annual accounts had been prepared on a going concern basis;

e) the Company being unlisted, sub-Clause (e) of Section 134(5) is not applicable and

f) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of Loans, Guarantees or Investments:
Pursuant to Section 186(11) of the Act, the provisions related to Loans made, guarantees given and securities provided do not apply to the Company.

Review of Operations of the Company:
The total Assets Under Management has increased from ₹777.99 Cr. as on 31 March 2018 to ₹1152.62 Cr. on 31 March 2019. During the year, the Company securitised its assets worth ₹175.52 Crore.

Vigil Mechanism:
The Company has established a Vigil Mechanism for its Directors and employees to report their concerns or grievances. The said mechanism, inter alia, encompasses the Whistle-Blower Policy and it provides for adequate safeguards against victimisation of persons who use it.

Information regarding the mechanism and the channels for reporting concerns (including a third-party reporting channel) are communicated to the relevant stakeholders. The Whistle-Blower Policy is available on the website of the Company, www.sbfc.com.

Prevention of Sexual Harassment of Women at Workplace:
The Company has a policy on Prevention of Sexual Harassment of Woman at Workplace. No case was reported during the year under review.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo:
The information pursuant to Section 134(3)(m) of the Act read with Companies Accounts Rules, 2014 is as follows:

a) The Company has no activity involving Conservation of Energy or Technological or Technology Absorption;

b) The Company does not have any Foreign Exchange Earning and Outgo

Corporate Governance Report:
The report on Corporate Governance for the Company is annexed as **Annexure 3** and forms an integral part of this Annual Report.

Risk Management

The Company is exposed to different types of risks including interest rate risk, business risk, liquidity risk, operational risk, credit risk including credit concentration risk, reputation risk, technology risk and compliance risk. The Company has formed Risk Management Committee and has developed and implemented Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor both business and non-business risk.

Other Disclosures:

Extracts of Annual Return:
An extract of the Annual Return for the Financial Year ended 31 March 2019 made under the provisions of Section 92(3) of the Act in Form No. MGT-9 is annexed herewith as **Annexure 1.**

The same is displayed on the website of the Company: www.sbfc.com

Secretarial Standards:
The Company has complied with the secretarial standards as applicable to the Company.

Details of subsidiary/ joint ventures/ associate companies:
The Company does not have any subsidiary, joint ventures and associate companies.

Corporate Social Responsibility (CSR):
The CSR report for the financial year 2018-19 is annexed to this report as **Annexure 2.**

Deposits:
No disclosure is required in respect of the details relating to the deposits covered under Chapter V of the Act, as the Company has not accepted any deposit.

Status of the Company:
There was no significant or material order passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the operations in future.

Internal financial controls
Your Company has in place, adequate and effective internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

Acknowledgement

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, debenture holders, debenture trustee, bankers, financial institutions, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

For & on behalf of Board of Directors of
Small Business FinCredit India Private Limited
(Erstwhile MAPE Finserve Private Limited)

John Mescall	**Aseem Dhru**
Nominee Director	Managing Director & CEO
DIN: 08385575	DIN: 01761455

Place: Mumbai
Date: 7 June 2019

ANNEXURE – 1

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31 March 2019

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	U67190MH2008PTC178270
2	Registration Date	25 January 2008
3	Name of the Company	Small Business FinCredit India Private Limited (Erstwhile MAPE Finserve Private Limited)
4	Category/Sub-category of the Company	Non-Government Company
5	Address of the Registered office & contact details	103, 1st Floor, C&B Square, Sangam Complex, Andheri-Kurla Road, Village Chakala, Andheri (East), Mumbai – 400 059 Tel: +91-22-67875300
6	Whether listed Company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Name: NSDL Database Management Limited Address: 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Contact details: 022 4914 2700

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)

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	Other Credit granting	64920	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Lyra Partners Ltd. Address: C/o. GFin Corporate Services Ltd., 6th Floor, GFin Tower, Cybercity, Ebene 72201, Mauritius	141140 C1 / GBL	Holding	81.53%	2(46)

IV. SHARE HOLDING PATTERN
(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 March 2018]				No. of Shares held at the end of the year [As on 31 March 2019]				% 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.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	116,000,000	116,000,000	17.16	90,899,000	25,101,000	116,000,000	16.89	(0.27)
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	**-**	**116,000,000**	**116,000,000**	**17.16**	**90,899,000**	**25,101,000**	**116,000,000**	**16.89**	**(0.27)**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 March 2018]				No. of Shares held at the end of the year [As on 31 March 2019]				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
2. Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	560,000,000	560,000,000	82.84	-	560,000,000	560,000,000	81.53	(1.31)
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	**-**	**560,000,000**	**560,000,000**	**82.84**	**-**	**560,000,000**	**560,000,000**	81.53	**(1.31)**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**-**	**676,000,000**	**676,000,000**	**100**	**90,899,000**	**585,101,000**	**676,000,000**	98.42	**(1.58)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	**10840000**	**-**	**10840000**	**1.58**	**1.58**
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**10840000**	**-**	**10840000**	**1.58**	**1.58**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):-	**-**	**-**	**-**	**-**	-	-	-	-	**-**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**-**	**-**	**-**	**-**	**10840000**	**-**	**10840000**	**1.58**	**1.58**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**-**	**676,000,000**	**676,000,000**	**100**	**101,739,000**	**585,101,000**	**686,840,000**	**100**	**-**

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Arpwood Partners Investment Advisors LLP	116,000,000	17.16	-	90,899,000	13.24	-	(3.92)
2	Lyra Partners Ltd.	560,000,000	82.84	-	560,000,000	81.53	-	(1.31)
3	Eight45 Services LLP	-	-	-	25,101,000	3.65	-	3.65
	Total	**676,000,000**	**100**	**-**	**676,000,000**	**98.42**	**-**	**(1.58)**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1.	Arpwood Partners Investment Advisors LLP				
	At the beginning of the year	116,000,000	17.16	116,000,000	17.16
	Date-wise Increase/Decrease in Promoters shareholding during the year specifying reason for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	i. 18,701,000 Equity shares transferred to Eight45 Services LLP on 25.07.2018 ii. 6,400,000 Equity shares transferred to Eight45 Services LLP on 29.09.2018	-	90,899,000	-
	At the end of the year	90,899,000	13.24	90,899,000	13.24
2	Lyra Partners Ltd.				
	At the beginning of the year	560,000,000	82.84	560,000,000	82.84
	Date-wise Increase/Decrease in Promoters shareholding during the year specifying reason for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	No Change in shareholding during the financial year 2018-19			
	At the end of the year	560,000,000	81.53	560,000,000	81.53
3	Eight45 Services Ltd.				
	At the beginning of the year	-	-	-	-
	Date-wise Increase/Decrease in Promoters shareholding during the year specifying reason for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	i. 18,701,000 Equity shares transferred from Arpwood Partners Investment Advisors LLP on 25.07.2018 ii. 6,400,000 Equity shares transferred from Arpwood Partners Investment Advisors LLP on 29.09.2018	-	25,101,000	-
	At the end of the year	25,101,000	3.65	25,101,000	3.65

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs): NIL

Sr. 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	-	-	-	-
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel: NIL

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares of the Company	% of total shares	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	450.00	-	-	450.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	19.43	-	-	19.43
Total (i+ii+iii)	**469.43**	**-**	**-**	**469.43**
Change in Indebtedness during the financial year				
* Addition	427.98	-	-	427.98
* Reduction	(31.93)	-	-	(31.93)
Net Change	**396.05**	**-**	**-**	**396.05**
Indebtedness at the end of the financial year				
i) Principal Amount	845.46	-	-	845.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	20.01	-	-	20.01
Total (i+ii+iii)	**865.48**	**-**	**-**	**865.48**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
	Name	Mr. Aseem Dhru*	(Amount in ₹)
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,78,23,000	1,78,23,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	74,50,000	74,50,000
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	**2,52,73,000**	**2,52,73,000**
	Ceiling as per the Act	-	-

* 1. During the year, Mr. Aseem Dhru was granted 27,040,000 stock options under Small Business FinCredit Stock Option Policy II 2018. The stock options granted to Mr. Aseem Dhru would vest with following schedule: (a) 50% on 1 October 2019 (b) 25% on 1 October 2020 (c) 25% on 1 April 2021 and are exercisable (a) in case of Options vested prior to a IPO, at any time after vesting of the Options up to a period of 24 (Twenty Four) months post the date of IPO of the Company, and (b) in case of Options vested after IPO, within 6 (Six) months from the date of the vesting. The Exercise Price is ₹12.50/- per vested Option.

B. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name	Mr. Aseem Dhru	Mr. Narayan Barasia (w.e.f. December 19, 2018)*	Ms. Krupali Harshad Doshi (w.e.f. 24 September 2018)	(Amount in ₹)
	Designation	CEO	CFO	CS	
1	Gross salary	Part of remuneration to Managing Director/ Whole-time Director/ Manager	46,29,000	3,15,000	49,44,000
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961		6,92,000	14,000	7,06,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961		-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total		**53,21,000**	**3,29,000**	**56,50,000**

* 2. Mr. Narayan Barasia was appointed as Chief Financial Officer (CFO) of the Company w.e.f. December 19, 2018.

3. Ms. Krupali Harshad Doshi was appointed as a Company Secretary of the Company with effect from 24 September 2018 and resigned as Company Secretary w.e.f. 30 March 2019.

4. During the year, Mr. Narayan Barasia, CFO of the Company was granted 8,00,000 stock options and Ms. Krupali Harshad Doshi, Company Secretary was granted 25,000 stock options respectively under Small Business FinCredit Stock Option Policy 2018. The stock options granted to Ms. Krupali Doshi. However, Ms. Krupali Harshad Doshi resigned from the post of Company Secretary w.e.f. 30 March 2019 hence the options lapsed.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the financial year 2018-19 there were no penalties, punishment, compounding of offence against the Company.

For & on behalf of Board of Directors of
Small Business FinCredit India Private Limited
(Erstwhile MAPE Finserve Private Limited)

John Mescall
Nominee Director
DIN: 08385575

Aseem Dhru
Managing Director & CEO
DIN: 01761455

Place: Mumbai
Date: 7 June 2019

ANNEXURE – 2

Annual Report on CSR activities to be included in Board's Report

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**
   The Company has formed Corporate Social Responsibility Committee in its Board Meeting held on 15 March 2019 and is in the process of developing CSR policy and programs thereunder.

2. **The Composition of the CSR Committee:**
   The composition of the Corporate Social Responsibility Committee is as under:

Name	Designation
Mr. Neeraj Swaroop	Chairman
Mr. Sridhar Srinivasan	Member
Mr. Aseem Dhru	Member

   The committee is responsible for formulating and monitoring the CSR policy and programs thereunder.

3. **Average net loss of the Company for last three financial years:** ₹28,19,18,648/-

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Nil

5. **Details of CSR spent during the financial year.**
   a) Total amount to be spent for the financial year; **Nil**

   b) Amount unspent, if any; **Nil**

   c) Manner in which the amount spent during the financial year is detailed below. Since the Company had average net loss for preceding 3 years, there is no liability on the Company to spend any amount on CSR.

6. **In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**
   Not applicable

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**
   Not applicable

For & on behalf of Board of Directors of
Small Business FinCredit India Private Limited
(Erstwhile MAPE Finserve Private Limited)

Neeraj Swaroop
Chairman of the Committee & Independent Director
DIN: 00061170

Aseem Dhru
Managing Director & CEO
DIN: 01761455

Place: Mumbai
Date: 7 June 2019

ANNEXURE – 3

Corporate Governance Report

1. Company's Philosophy on the Code of Governance

The Company have fair, transparent and ethical governance practices and it believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value.

In this pursuit, the Company's Corporate Governance philosophy is to ensure fairness, transparency and integrity of the management, in order to protect the interests of all its stakeholders.

2. Board of Directors

Composition of the Board

The Company has an active, experienced and a well-informed Board. As on 31 March 2019, the Board comprised of five directors, out of which four are Non-Executive Directors and one Managing Director. Out of the total strength, two are Independent Directors.

The Company currently has right mix of directors on the Board who possesses the requisite qualifications and Corporate Governance experience in general corporate management, finance, banking, marketing and other allied fields which enable them to contribute effectively to the Company in their capacity as directors of the Company.

Detailed profile of the Directors is available on the Company's website at www.sbfc.com.

Board Procedure

The agenda along with the detailed notes are circulated in advance to the Board members. The items in the agenda are backed by comprehensive background information to enable the Board to take appropriate decisions and to discharge its responsibilities effectively. The Managing Director apprises the Board on the overall performance of the Company at every meeting. The Board periodically reviews the strategy, annual business plan and capital expenditure budgets and risk management, safety and environment matters.

It also reviews the compliance reports of the laws applicable to the Company, internal financial controls and financial reporting systems, minutes of the Board Meetings of the Company, adoption of annual results, major accounting provisions and minutes of the meetings of the Audit and other Committees of the Board.

The Company Secretary monitors the Board and Committee proceedings to ensure that terms of reference/charters are adhered to, decisions are properly recorded in the minutes and actions on the decisions are tracked.

Meeting effectiveness is ensured through clear agenda, pre-circulation of material in advance, detailed presentations at the meetings and tracking of the Action Taken Report (ATR). Additionally, based on the agenda, the Board/Committee meetings are attended by members of the senior leadership as invitees, which bring in the requisite accountability and also provide developmental inputs.

During the Financial year 2018-19 five (5) board meetings were held on 25 June 2018, 24 September 2018, 19 December 2018, 15 March 2019 and 25 March 2019. The details of attendance at the Board Meetings and the previous annual general meeting of the Company are given below:

Sr. No.	Name of the Director	Category	Board Meetings		Whether present at the AGM held on 29 September 2018
			Held	Attended	
1	Mr. Aseem Dhru	Managing Director & CEO	5	5	Yes
2	Mr. Sridhar Srinivasan	Independent Director	5	5	Yes
3	Mr. Neeraj Swaroop	Independent Director	5	4	Yes
4	Mr. Rajeev Gupta	Director	5	3	Yes
5	Mr. Amol Jain	Director	5	5	Yes

Committees of the Board

The Board has constituted committees with specific terms of reference/scope to focus effectively on issues and ensure expedient resolution of diverse matters. These are the Audit Committee, Nomination and Remuneration Committee, Business Review and Monitoring Committee (Executive Committee), Risk Management Committee, IT Strategy Committee, Corporate Social Responsibility Committee, Asset Liability Committee ("ALCO"), IT Steering Committee, Investment Committee.

The Board of Directors and the Committees also take decisions by circular resolutions which are noted by the Board/ respective Committees of the Board at their next meetings. The minutes of the meetings of all Committees of the Board are circulated to the Board of Directors, for their noting.

3. Audit Committee

The composition of the Audit Committee is in line with the provisions of Section 177 of the Companies Act, 2013. All the Members have the ability to read and understand financial statements and have relevant finance and/or audit experience. The Company Secretary acts as the Secretary to the Committee.

The composition of the Audit Committee is as under:-

Name of the Members	Designation
Mr. Sridhar Srinivasan	Chairman
Mr. Neeraj Swaroop	Member
Mr. Amol Jain	Member

Recommendations of the audit committee which had not been accepted by board along with reasons therefore: NIL

The dates of Audit Committee meetings and the attendance of its Members held during FY 2018-19 is, given below:

Sr. No.	Date of the meeting	No. of Members present
1	22 June 2018	3
2	24 September 2018	3
3	19 December 2018	3
4	15 March 2019	3

The Chairman of the Audit Committee has one on one meeting both with the internal audit head and the statutory auditors to discuss key concerns on a quarterly basis.

The Managing Director & CEO and Chief Financial Officer attend and participate at all the meetings of the Committee. The Chairman of the Audit Committee briefs the Board about the significant discussions at the Audit Committee meetings. The minutes of each of the Audit Committee are placed in the next meeting of the Board.

The terms of reference of the Audit Committee, *inter alia*, are:

- Recommend to the Board the appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditors independence and performance and effectiveness of the audit process;
- Examination of the financial statement and the auditors report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of the internal financial controls and risk management systems;
- Monitoring end use of funds raised through public offers and related matters;
- Ensure establishment and proper functioning of the system for storage, retrieval, display or print out of the electronic records in respect of books of account of the Corporation, maintained in electronic mode;
- Oversee the vigil mechanism and review the safeguards in place against victimization of employees and directors who avail of such mechanism and ensure adequate provision is there to provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases; and
- Any other issue within terms of reference under the relevant provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time.

4. Nomination and Remuneration Committee (NRC) Policy on appointment of Directors

The NRC reviews the disclosure made with regard to the Company policy on directors' appointment and remuneration including criteria for determining qualification, positive attributes, independence and other matters as specified in Section 178(3) of the Companies Act, 2013, in the Directors' Report, in terms of Section 134 (1) (e) of the Companies Act, 2013.

The purpose of the NRC is to oversee the selection of members of the Board based on criteria related to the specific requirement of expertise, independence and execution.

Further, the role of NRC is also to identify and select senior management personnel one level below the Board.

The dates of Nomination and Remuneration Committee meetings and the attendance of its Members held during FY 2018-19 are given below:

Sr. No.	Date of the meeting	No. of Members present
1	24 September 2018	3
2	19 December 2018	3
3	15 March 2019	3

The terms of reference of the NRC, *inter alia*, are:

- Identify persons who are qualified to become Directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Formulate and recommend to the Board the criteria for determining qualifications, positive attributes and independence of a director and for evaluating their performance as well as on Board Diversity.
- Carry out evaluation of every director's performance based on the criteria formulated by it and duly approved by the Board.
- Review and ensure that the persons who are proposed to be appointed/re-appointed as the whole-time directors of the Corporation meets the conditions as set out in Section 166 read with Part I to Schedule V to the Companies Act, 2013 or any re-enactment or amendment or modification thereto.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director & CEO.

Annual increments are recommended by the NRC within the salary scale approved by the members of the Company and are effective 1 April each year.

5. Risk Management Committee (RMC)

Following meetings were held of RMC during the financial year 2018-19

Sr. No.	Date of the meeting	No. of Members present
1	19 December 2018	8
2	15 March 2019	8

Risk Management Committee was reconstituted by adding Mr. Narayan Barasia and Mr. R. Gandhi and removing Mr. Ramachandran N. w.e.f. 19 December 2018.

The roles and responsibilities of the Committee are as per the charter adopted by the Board and includes monitoring and review of the risk management plan and reporting the same to the Board periodically as it may deem fit, in addition to any other terms as may be referred by the Board, from time to time.

RMC assists the Audit Committee and the Board of Directors in overseeing the Company's risk management processes and controls.

The terms of reference of the RMC are as under:

- Formulate a Risk Management Framework & Risk Management Policy in line with the strategic objectives laid down by the Board;
- Ensure that appropriate methodology, processes and systems are in place to monitor, evaluate and report risks associated with the business of the Company;
- Review the adequacy of the existing measures to mitigate risks covering various functions of the Company;
- Evaluate and approve mitigation measures that may be recommended by the Risk Manager(s) in respect of any function and review the action taken for its implementation on an ongoing basis;
- Build risk awareness culture within the Company;
- Review, subject to the approval of the Board, amend any of the provisions of the Risk Management Framework;
- Evaluate and frame policies to counter 'new risk' or 'contingencies' that may be reported by the Risk Manager(s);
- Evaluate the methodology adopted by branches/functions for assessing and evaluating risk and the manner in which the risks are being monitored, assessed and reported;
- Ensure compliance by the constituents of the Risk Management Organisation with the provisions of the Risk Management Framework; and
- Develop and enforce a strong management information system to evaluate, monitor and report the risks impacting the business of the Corporation.

6. Business Review and Monitoring (Executive Committee):

Following are the meetings held of Business Review & Monitoring Committee during the financial year 2018-19

Sr. No.	Date of the meeting	No. of Members present
1	30 April 2018	3
2	16 July 2018	3
3	23 August 2018	2
4	23 October 2018	3
5	23 November 2018	3
6	21 January 2019	3

The terms of reference of the Business Review & Monitoring Committee are as under:

- Review Product performance
- Review Business Plans
- New Business Initiatives proposed to be undertaken by the Company
- Review of the loan accounts including restructuring of the cases as per RBI guidelines.
- Business and strategy review

7. IT Strategy Committee:

Following are the meetings held of IT Strategy Committee during the financial year 2018-19

Sr. No.	Date of the meeting	No. of Members present
1	19 December 2018	9
2	15 March 2019	9

The terms of reference of the IT Strategy Committee are as under:

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

For & on behalf of Board of Directors of
Small Business FinCredit India Private Limited
(Erstwhile MAPE Finserve Private Limited)

John Mescall	**Aseem Dhru**
Nominee Director	Managing Director & CEO
DIN: 08385575	DIN: 01761455

Place: Mumbai
Date: 7 June 2019

ANNEXURE – 4

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

(i) Name of the Rating Agency – ICRA Limited

(ii) Rating Assigned – [ICRA] A

Date of rating	Products	Rating Assigned
11 September 2017	Secured Redeemable Non-Convertible Debentures	[ICRA] A (stable)
18 October 2017	Bank Loan Rating	[ICRA] A (stable)

There was no migration of rating during the year.

For & on behalf of Board of Directors of
Small Business FinCredit India Private Limited
(Erstwhile MAPE Finserve Private Limited)

John Mescall
Nominee Director
DIN: 08385575

Aseem Dhru
Managing Director & CEO
DIN: 01761455

Place: Mumbai
Date: 7 June 2019

INDEPENDENT AUDITORS' REPORT

To the Members of Small Business FinCredit India Pvt. Ltd.
(Formerly known as Mape Finserve Private Limited)
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Small Business FinCredit India Pvt. Ltd. (the "Company"), which comprise the Balance Sheet as at 31 March 2019, and 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 31 March 2019, 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 Management Discussion and Analysis and Directors Report (the "Reports"), but does not include the financial statements and our auditors' report thereon. The Reports are expected to be made available to us after the date of this auditors' report.

- 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 perform, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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 judgements 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.

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

Auditors' 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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.

Other Matter

The comparative financial information of the Company for the year ended 31 March 2018 and the related transition date opening balance sheet as at 1 April 2017 included in these financial statements, have been prepared after adjusting previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued financial statements were audited by the predecessor auditor whose report for the year ended 31 March 2018 and 31 March 2017 dated 25 June 2018 and 23 June 2017 respectively expressed an unmodified opinion on those financial statements. Adjustments made to the previously issued financial statements to comply with Ind AS have been audited by us.

Our opinion on the financial statements is not modified in respect of the matter on the comparative financial information.

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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, Section 197 of the Act related to the managerial remuneration not applicable.

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 as at 31 March 2019;

   ii. The Company did not have any long-term contracts including derivative contracts as at year-end for which there were any material foreseeable losses; and

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("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)

G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: 7 June 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' 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 Small Business FinCredit India Private Limited (the "Company") as at 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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 and the Standards on Auditing prescribed under Section 143(10) of the Act, 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 31 March 2019, 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.

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

G. K. Subramaniam
Partner
(Membership No. 109839)

Place: Mumbai
Date: 7 June 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirement under paragraph 3(i)(c) of the Order is not applicable.

(ii) To the best of our knowledge and according to the information and explanations given to us, the Company does not have any inventory and hence reporting under Clause 3(ii) of the Order is not applicable.

(iii) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.

(iv) To the best of our knowledge and according to information and explanations given to us, The Company has not granted any loans, made investments or provide guarantees under the provisions of Sections 185 and 186 of the Act and hence reporting under Clause 3(iv) of the Order is not applicable.

(v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any public deposit during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals with regard to the Company.

(vi) To the best our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, in respect of the services rendered by the Company.

(vii) To the best of our knowledge and according to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax and Cess to the appropriate authorities.

(b) The extent of the arrears of the statutory dues outstanding as at 31 March 2019, for a period of more than six months from the date they became payable are as follows:

Name of Statute	Nature of dues	₹ in lakh	Period	Due Date	Dates of payment
Income Tax Act, 1961	Advance tax	491	FY 2018-19	15 June 2018 and 15 September 2018	30 May 2019

(c) There are no dues of Income tax, Provident Fund, Employees' state insurance, and Goods and Service Tax as on 31 March 2019 on account of disputes.

(viii) To the best of our knowledge and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company has not taken any loans or borrowings from the government.

(ix) To the best of our knowledge and according to the information and explanations given to us, the money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer/further public offer including debt instruments.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company is a private company and hence the provisions of Section 197 of the Act do not apply to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under Clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 of the Companies Act, 2013, 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. The Company is a private company and hence the provisions of Section 177 is not applicable to the Company.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under Clause 3(xiv) of the Order is not applicable to the Company.

(xv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Act are not applicable.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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

G. K. Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: 7 June 2019

BALANCE SHEET
as at 31 March 2019

(Amount in ₹)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
ASSETS				
I. Financial Assets				
(a) Cash and Cash Equivalents	3	1,800,843,038	71,001,571	5,035
(b) Bank Balances other than (a) above	4	155,256,416	661,121,396	-
(c) Loans	5	11,536,280,811	7,812,999,238	94,921,406
(d) Investments	6	1,667,635,185	2,574,333,599	-
(e) Other Financial Assets	7	21,903,796	18,966,576	-
Total Financial Assets		**15,181,919,246**	**11,138,422,380**	**94,926,441**
II. Non-Financial Assets				
(a) Current Tax Assets (Net)	8	4,280,735	4,280,735	1,369,798
(b) Deferred Tax Assets (Net)	9	-	-	8,198
(c) Property, Plant and Equipment	10	85,978,983	43,596,188	-
(d) Goodwill		2,603,922,952	2,603,922,952	-
(e) Other Intangible Assets	11	10,004,683	9,575,220	-
(f) Other Non-Financial Assets	12	43,684,681	21,758,117	12,266
Total Non-Financial Assets		**2,747,872,034**	**2,683,133,212**	**1,390,262**
Total Assets		**17,929,791,280**	**13,821,555,591**	**96,316,703**
LIABILITIES AND EQUITY				
Liabilities				
I. Financial Liabilities				
(A) Payables	13			
(a) Trade Payables				
(i) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-	-
(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		94,253,015	20,187,503	42,486
(b) Other Payables				
(i) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-	-
(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		49,888,098	434,016,839	-
(B) Debt Securities	14	3,973,665,239	3,956,108,732	-
(C) Borrowings (Other than Debt Securities)	15	4,443,408,325	498,313,723	51,419,568
(D) Other Financial Liabilities	16	423,013,816	385,957,511	19,031,725
Total Financial Liabilities		**8,984,228,493**	**5,294,584,308**	**70,493,779**
II. Non-Financial Liabilities				
(a) Current Tax Liabilities (Net)	17	117,553,566	-	-
(b) Provisions	18	-	12,493,818	87,965
(c) Deferred Tax Liabilities (Net)	19	13,711,295	23,122,366	-
(d) Other Non-Financial Liabilities	20	11,974,027	7,005,555	438,473
Total Non-Financial Liabilities		**143,238,888**	**42,621,739**	**526,438**
Total Liabilities		**9,127,467,381**	**5,337,206,047**	**71,020,217**
EQUITY				
(a) Equity Share Capital	21	6,760,000,000	6,760,000,000	20,500,000
(b) Other Equity	22	2,042,323,898	1,724,349,545	4,796,486
Total Equity		**8,802,323,898**	**8,484,349,545**	**25,296,486**
Total Liabilities and Equity		**17,929,791,280**	**13,821,555,591**	**96,316,703**

Significant accounting policies (Refer note 2)

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

For and on behalf of the Board of Directors
Small Business FinCredit India Pvt. Ltd.
(Erstwhile Mape Finserve Pvt. Ltd.)
CIN:U67190MH2008PTC178270

G. K. Subramaniam
Partner
Membership No. 109839

Mr. Aseem Dhru
CEO & Managing Director
DIN: 01761455

Mr. John Mescall
Nominee Director
DIN: 08385575

Mr. Narayan Barasia
Chief Financial Officer

Ms. Swati Morajkar
Company Secretary

Place: Mumbai
Date: 7 June 2019

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2019

(Amount in ₹)

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
(I) Revenue from Operations			
Interest Income	23	1,547,567,064	673,915,223
Fees and Commission Income	24	16,414,486	2,327,262
Net Gain on fair value changes	25	121,050,130	86,874,284
Other Operating Income	26	81,594,495	52,254,895
Total Revenue from Operations		**1,766,626,175**	**815,371,664**
(II) Other Income	27	1,105,030	956,943
(III) Total Income (I+II)		**1,767,731,205**	**816,328,607**
Expenses			
Finance Costs	28	503,907,574	226,305,513
Impairment on Financial Instruments (Expected credit loss)	29	1,011,169	46,895,451
Employee Benefit Expense	30	602,638,638	257,797,792
Depreciation and Amortisation Expense	10 & 11	21,295,609	10,629,834
Other Expenses	31	289,083,513	220,233,533
(IV) Total Expenses		**1,417,936,503**	**761,862,123**
(V) Profit Before Tax (III - IV)		**349,794,702**	**54,466,483**
Tax Expense			
- Current Tax	32	114,852,913	-
- Deferred Tax	33	(9,411,070)	23,130,564
(VI) Total Tax Expense		**105,441,843**	**23,130,564**
(VII) Net Profit After Tax		**244,352,859**	**31,335,920**
(VIII) Other Comprehensive Income	34		
(i) Items that will not be reclassified to profit or loss remeasurement of net defined benefit		(1,260,545)	3,322,139
(ii) Income tax relating to items that will not be reclassified to profit or loss		367,071	-
Other Comprehensive Income		(893,474)	3,322,139
(IX) Total Comprehensive Income (VII + VIII)		**243,459,385**	**34,658,059**
(X) Earnings Per Equity Share			
Basic (₹)	46	0.36	0.09
Diluted (₹)		0.36	0.07

The accompanying notes are an integral part of the Financial Statements.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

For and on behalf of the Board of Directors
Small Business FinCredit India Pvt. Ltd.
(Erstwhile Mape Finserve Pvt. Ltd.)
CIN:U67190MH2008PTC178270

G. K. Subramaniam
Partner
Membership No. 109839

Mr. Aseem Dhru
CEO & Managing Director
DIN: 01761455

Mr. John Mescall
Nominee Director
DIN: 08385575

Mr. Narayan Barasia
Chief Financial Officer

Ms. Swati Morajkar
Company Secretary

Place: Mumbai
Date: 7 June 2019

CASH FLOW STATEMENT
for the year ended 31 March 2019

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash Flow from Operating Activities		
Profit Before Taxation	349,794,702	54,466,483
Adjustments for:		
Depreciation on Fixed Assets	21,295,609	10,629,834
Net Gain on fair value change	(121,050,130)	(86,874,284)
Loss on Sale of Fixed Assets	537,609	13,019
Impairment on Financial Instruments	1,011,169	46,895,451
Provision for Gratuity	-	(648,287)
Provision for Leave Encashment	-	1,102,874
Provision for Bonus & Incentives	54,812,292	-
Fixed Assets written-off	8,872,978	-
Increase in Long-Term Borrowings	(9,553,330)	(1,685,417)
Amortisation of Non-Convertible Debenture Processing Fees	17,556,507	(43,891,268)
Employee cost ESOP transferred to statutory reserves	74,902,039	-
Operating Profit/(Loss) before Working Capital changes	**398,179,445**	**(19,991,595)**
Changes in Working Capital		
Increase/(Decrease) in Trade Payables	(364,875,521)	432,112,390
(Decrease) in Provisions	(12,493,818)	(35,469,364)
(Increase)/Decrease in Loans and Advances	(3,725,553,287)	268,545,983
Increase in Other Financial Liabilities	37,056,305	370,247,925
(Increase)/Decrease in Other Financial Assets	(2,937,220)	121,147,515
(Increase) in Other Non-Financial Assets	(19,225,911)	(19,520,031)
Increase in Other Non-Financial Liabilities	4,968,472	6,567,082
Cash Flows generated from Operations	**(3,684,881,536)**	**1,123,639,905**
Income Taxes Paid	-	-
Net Cash generated from Operating Activities	(3,684,881,536)	1,123,639,905
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(74,209,615)	(1,334,031)
Proceeds from Sale of Assets	691,161	130,000
Purchase of Current Investments	(8,084,338,006)	(7,403,295,000)
Purchase consideration under slump sale	-	(10,775,833,199)
Proceeds from Sale of Current Investments	9,112,086,551	4,915,835,685
Placement of Fixed Deposits		(661,121,396)
Proceeds on maturity of Fixed Deposits	505,864,980	
Net Cash generated (used in) Investing Activities	**1,460,095,071**	**(13,925,617,941)**
Cash Flow from Financing Activities		
Proceeds from issue of Equity Share Capital	108,400,000	6,739,500,000
Proceeds from Long-Term Borrowings	2,437,500,000	499,999,140
Proceeds from Securitisation	1,579,647,072	-
Repayment of Long-Term Borrowings	(62,499,140)	(51,419,568)
Proceeds from Non-Convertible Debentures	-	4,000,000,000
Proceeds from Securities Premium	27,100,000	1,684,875,000
Loan to Employee Welfare Trust	(135,500,000)	-
Proceeds from Share Warrants	-	20,000
Cancellation of Share Warrants	(20,000)	-
Net Cash generated from Financing Activities	**3,954,627,932**	**12,872,974,572**
Net increase in Cash and Cash Equivalents	**1,729,841,467**	**70,996,536**
Cash and Cash Equivalents at beginning of year	71,001,571	5,035
Cash and Cash Equivalents at end of year	**1,800,843,038**	**71,001,571**

CASH FLOW STATEMENT

for the year ended 31 March 2019

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash and Cash Equivalents at the end of the year comprises of:-		
Balance with scheduled Bank on		
- Current Account	1,800,843,038	71,001,571
Total	**1,800,843,038**	**71,001,571**

Notes:

1. The above Cash Flow Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 Cash Flow Statements.
2. Figures in brackets indicate cash outflow.
3. During previous year, working capital changes for the period have been determined after adjustments of assets and liabilities acquired under business transfer agreement on a slump sale basis business.
4. Previous year's figures have been regrouped and reclassified wherever necessary to conform to current year's classification.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

For and on behalf of the Board of Directors
Small Business FinCredit India Pvt. Ltd.
(Erstwhile Mape Finserve Pvt. Ltd.)
CIN:U67190MH2008PTC178270

G. K. Subramaniam
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DIN: 01761455

Mr. John Mescall
Nominee Director
DIN: 08385575

Mr. Narayan Barasia
Chief Financial Officer

Ms. Swati Morajkar
Company Secretary

Place: Mumbai
Date: 7 June 2019

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

A. EQUITY SHARE CAPITAL

(Amount in ₹)

As at 1 April 2017	Changes in equity share capital during the year	As at 31 March 2018
20,500,000	6,739,500,000	6,760,000,000

(Amount in ₹)

As at 1 April 2018	Changes in equity share capital during the year	**As at 31 March 2019**
6,760,000,000	-	6,760,000,000

B. OTHER EQUITY

(Amount in ₹)

As at 31 March 2018	Reserves & Surplus				Other comprehensive income	Money received against share warrants	Total
	Securities premium	Retained earnings	Employee share option outstanding	Statutory reserve			
Balance as at 1 April 2017	-	3,777,351	-	1,019,135			4,796,486
Changes in Accounting Policy/Prior Period Errors	-	-	-	-	-	-	-
Restated Balance at the beginning of the reporting period	**-**	**3,777,351**	**-**	**1,019,135**	**-**	**-**	**4,796,486**
Received during the year	1,684,875,000	31,335,920	-	-	3,322,139	20,000	1,719,553,059
Utilised during the year	-	-	-	-	-	-	-
Transfer to Statutory Reserve	-	-	-	-	-	-	-
Balance as at 31 March 2018	**1,684,875,000**	**35,113,271**	**-**	**1,019,135**	**3,322,139**	**20,000**	**1,724,349,545**

(Amount in ₹)

As at 31 March 2019	Reserves & Surplus				Other comprehensive income	Money received against share warrants	Total
	Securities premium	Retained earnings	Employee share option outstanding	Statutory reserve			
Balance as at 1 April 2018	1,684,875,000	35,113,271	-	1,019,135	3,322,139	20,000	1,724,349,545
Changes in accounting Policy/Prior Period Errors							-
Restated balance at the beginning of the reporting period	**1,684,875,000**	**35,113,271**	**-**	**1,019,135**	**3,322,139**	**20,000**	**1,724,349,545**
Received during the year	27,100,000	244,352,859	74,902,039	-	(1,260,545)	-	345,094,353
Utilised during the year	-	-	-	-	-	-	-
Cancellation during the year	-	-	-	-	-	(20,000)	(20,000)
Transfer to Statutory Reserve	-	(48,870,572)	-	48,870,572	-	-	-
Loan to Employee Welfare Trust	(27,100,000)	-	-	-	-	-	(27,100,000)
Balance as at 31 March 2019	**1,684,875,000**	**230,595,559**	**74,902,039**	**49,889,707**	**2,061,594**	**-**	**2,042,323,898**

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

G. K. Subramaniam
Partner
Membership No. 109839

For and on behalf of the Board of Directors
Small Business FinCredit India Pvt. Ltd.
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CEO & Managing Director
DIN: 01761455

Mr. John Mescall
Nominee Director
DIN: 08385575

Mr. Narayan Barasia
Chief Financial Officer

Ms. Swati Morajkar
Company Secretary

Place: Mumbai
Date: 7 June 2019

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

1. Corporate Information

Small Business FinCredit India Private Limited (the Company), formerly known as MAPE Finserve Private Limited) is a private limited company incorporated in India under the Companies Act, 1956, having its registered office at First Floor, C&B Square, Sangam Complex, Andheri-Kurla Road, Chakala, Andheri (East), Mumbai - 400 059, Maharashtra. The Company is registered with the RBI as a "systemically important non-deposit taking" NBFC.

The Company is in the business of giving loans to Micro Enterprise secured by residential or commercial property. The Company also gives Loan against Gold, which offers the Company superior yields with almost liquid security assets. The Company also gives unsecured personal loans and unsecured business loans.

The financial statements for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the board of directors on 7 June 2019.

2. Significant accounting policies

2.1 Basis of preparation

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 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 2.15 – Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest Rupee, except when otherwise indicated.

2.2 Presentation of financial statement

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

2.3 Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of the Act.

Effective 1 April 2018, the Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with 1 April 2017 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied 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.

2.4 Financial instruments

(i) Classification of financial instruments

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

1. Financial assets to be measured at amortised cost.
2. Financial assets to be measured at fair value through profit or loss account.

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.

- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs.

(ii) Financial assets measured at amortised cost

Debt instruments

These financial assets comprise bank balances, receivables, investments and other financial assets.

Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

(iii) Items at fair value through profit or loss (FVTPL)

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as FVTPL on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at FVTPL are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

(iv) Debt securities and other borrowed funds

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

(v) Reclassification

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

(vi) Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the Financial Instruments are transferred to the customers.

b) Investments are initially recognised on the trade date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Company.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e. the date that the Company becomes a party to the contractual provisions of the instrument.

Derecognition of financial assets

a) **Financial assets:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, the Company has transferred its contractual rights to receive cash flows from the financial asset

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises 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.

b) **Financial liabilities**

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

(vii) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances up to 0-29 days default under this category. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2
All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 30-89 days are classified under this stage. Stage 2 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 3.

Stage 3
All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

Credit-impaired financial assets
At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event; or

c) The disappearance of an active market for a security because of financial difficulties.

The mechanics of ECL
The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) – The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

a) The Company has applied 12 months PD to Stage 1 Advances.

b) The Lifetime PD is computed using basic exponentiation technique after considering the residual maturity of the respective loan.

c) PD of 100% is considered for Stage 3 assets.

Exposure at Default (EAD) – EAD is taken as the gross exposure under a facility upon default of an obligor. The amortised principal and the interest accrued is considered as EAD for the purpose of ECL computation.

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Collateral Valuation
To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as the underlying asset financed, cash, securities, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models.

Collateral repossessed
In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages its employees to recover funds, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(viii) Write-offs
The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. 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 subjected to write-offs. Any subsequent recoveries against such loans are credited to the Statement of Profit and Loss.

(ix) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments as explained in note no. 40, at fair value on each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

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

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is not recognised at the initial recognition stage.

2.5 Revenue from operations

(i) Interest Income

Interest income is recognised by applying (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL, taking into account the amount outstanding and the applicable interest rate.

Interest income is recognised on non-performing assets at net of ECL.

The EIR is computed

a) As the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b) By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows.

c) Including all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows are recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

(ii) Dividend Income

Dividend income is recognised when the right to receive the payment is established.

(iii) Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

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

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

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

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

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

(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as FVTPL held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed as "Net loss on fair value changes" under Expenses in the Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain/loss on fair value changes.

However, Net gain/loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

(v) Loan Processing Fees

Processing fees on loans is collected towards processing of loan, this is amortised on EIR basis over the contractual life of the loan.

2.6 Expenses

(i) Finance costs

Finance costs on borrowings is paid towards availing of loan, is amortised on EIR basis over the contractual life of loan.

The EIR in case of a financial liability is computed:

a) As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b) By considering all the contractual terms of the financial instrument in estimating the cash flows.

c) Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows are recognised in interest expense with the corresponding adjustment to the carrying amount of the liability.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc., provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short-term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the eligible employees of the Company who have opted to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company fully contributes all ascertained liabilities to The Trustees – "Small Business FinCredit India Pvt. Ltd. Employees Group Gratuity Cash Accumulation Scheme". Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Company – Life Insurance Corporation of India.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

Share-based payment arrangements

The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date using Black Scholes Model. The fair value of the options determined at grant date is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity. The employee stock option outstanding account is shown under reserves.

(iii) Rent Expense:

Identification of Lease:

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 April 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Recognition of lease payments:

Rent Expenses representing operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

Leases that do not transfer to the Company substantially all the risks and benefits incidental to ownership of the leased items are operating leases.

(iv) Other income and expenses

All Other income and expense are recognised in the period they occur.

(v) Impairment of non-financial assets

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

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

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 in the countries where the Company operates and generates taxable income.

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.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax/ service tax/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/service tax/value added taxes paid except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

ii. When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

2.8 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

(Depreciation is calculated using the written down value method to write-down the cost of property and equipment to their residual values over their estimated useful lives) which is in line with the estimated useful life as specified in Schedule II of the Act. The estimated useful lives are as prescribed by Schedule II of the Act. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income/expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

2.9 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from/upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write-down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 5 years, unless it has a shorter useful life.

Intangible assets with indefinite useful life is tested for impairment at each reporting period.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.10 Provisions

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

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability.

The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

2.11 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.12 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.13 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgements estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

2.13.1 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

2.13.2 Effective Interest Rate (EIR) method

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

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

2.14 First time adoption

These financial statements, for the year ended 31 March 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS. Since the Company did not have significant transaction as at the transition date, the Company has not availed Exemptions under INDAS 101.

2.15 Operating Cycle

Based on the nature of products/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.

3. Cash and cash equivalents

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(i) Cash on Hand	30,763,006	3,823,281	-
(ii) Balances with Banks:			
- In Current Accounts	1,770,080,032	67,178,290	5,035
Total	**1,800,843,038**	**71,001,571**	**5,035**

4. Bank balances other than cash and cash equivalents

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(i) In Other Deposit Accounts			
- Original Maturity more than 3 months	155,200,000	656,316,817	-
- Interest Accrued but not due	56,416	4,804,579	-
Total	**155,256,416**	**661,121,396**	**-**

During the year ended 31 March 2019 fixed Deposits amounting to ₹155,200,000/- have been kept as a lien earmarked in connection with the Pass Through Certificate.

During the year ended 31 March 2018 fixed Deposits amounting to ₹306,316,817/- have been kept as a lien which includes earmarked in escrow accounts in connection with collection agent agreement entered with Karvy Financial Services Limited.

5. Loans

(Amount in ₹)

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Amortised cost	Total	Amortised cost	Total	Amortised cost	Total
Loan against Property	8,460,479,218	8,460,479,218	6,068,581,868	6,068,581,868	-	-
Loan against Gold	2,741,021,252	2,741,021,252	1,827,119,180	1,827,119,180	-	-
Personal Loan	417,970,826	417,970,826	2,609,005	2,609,005	-	-
Inter Corporate Deposits	-	-	-	-	95,207,027	95,207,027
Staff Loans	4,457,690	4,457,690	1,326,190	1,326,190	-	-
Total - Gross (A)	**11,623,928,986**	**11,623,928,986**	**7,899,636,243**	**7,899,636,243**	**95,207,027**	**95,207,027**
Less: Expected Credit Loss	(87,648,175)	(87,648,175)	(86,637,005)	(86,637,005)	(285,621)	(285,621)
Total - Net (A)	**11,536,280,811**	**11,536,280,811**	**7,812,999,238**	**7,812,999,238**	**94,921,406**	**94,921,406**
(a) Secured by Tangible Assets	11,192,902,854	11,192,902,854	7,888,029,633	7,888,029,633	-	-
(b) Unsecured	431,026,132	431,026,132	11,606,610	11,606,610	95,207,027	95,207,027
Total - Gross (B)	**11,623,928,986**	**11,623,928,986**	**7,899,636,243**	**7,899,636,243**	**95,207,027**	**95,207,027**
Less: Expected Credit Loss	(87,648,175)	(87,648,175)	(86,637,005)	(86,637,005)	(285,621)	(285,621)
Total - Net (B)	**11,536,280,811**	**11,536,280,811**	**7,812,999,238**	**7,812,999,238**	**94,921,406**	**94,921,406**
Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Others	11,623,928,986	11,623,928,986	7,899,636,243	7,899,636,243	-	-
Total (C) - Gross	**11,623,928,986**	**11,623,928,986**	**7,899,636,243**	**7,899,636,243**	**-**	**-**
Less: Expected Credit Loss	(87,648,175)	(87,648,175)	(86,637,005)	(86,637,005)	-	-
Total (C) (I)-Net	**11,536,280,811**	**11,536,280,811**	**7,812,999,238**	**7,812,999,238**	**-**	**-**

The Company's business model is to collect contractual cash flows, being the payment of Principal and Interest and accordingly the loans are measured at amortised cost.

Loans granted by the Company aggregating to ₹11,192,902,854/- (Previous year ₹7,888,029,633/- are secured or partly secured by one or a combination of the following securities:- Registered/equitable mortgage of property, Hypothecation of assets including Gold.

Loan for which security has been fraudently lost and fully provided: Nil (Previous year ₹7,618,000/-).

6. Investments

(Amount in ₹)

Investments	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	At fair value through profit or loss	At fair value through profit or loss	At fair value through profit or loss
Mutual Funds	1,667,635,185	2,574,333,599	-
Total (A)	**1,667,635,185**	**2,574,333,599**	**-**
(i) Investments Outside India	-	-	
(ii) Investments in India	1,667,635,185	2,574,333,599	-
Total (B)	**1,667,635,185**	**2,574,333,599**	**-**

7. Others financial assets

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Security Deposits – Unsecured	18,690,131	16,050,214	-
Balance with Government Authority	3,213,665	2,916,362	-
Total	**21,903,796**	**18,966,576**	**-**

8. Current tax assets (Net)

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Advance Tax (Net of provision)	4,280,735	4,280,735	1,369,798
Total	**4,280,735**	**4,280,735**	**1,369,798**

9. Deferred tax assets (Net)

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Deferred Tax Assets (Net)	-	-	8,198
Total	**-**	**-**	**8,198**

10. Property, plant and equipment

(Amount in ₹)

Particulars	Gross block				Depreciation and amortisation				Net block	
	As at 31 March 2018	Additions	Deductions	**As at 31 March 2019**	As at 31 March 2018	For the Year	Deductions	**As at 31 March 2019**	**As at 31 March 2019**	As at 31 March 2018
Computers	4,831,072	10,036,423	-	14,867,495	2,339,811	3,612,486	-	5,952,297	8,915,198	2,491,261
Furniture and Fittings	36,222,358	49,103,610	11,764,318	73,561,650	2,902,603	6,818,166	2,892,179	6,828,590	66,733,060	33,319,755
Vehicles	1,316,328	-	1,316,328	-	21,044	65,675	86,719	-	-	1,295,284
Office Equipment	8,817,212	8,589,795	-	17,407,007	2,327,324	4,748,958	-	7,076,282	10,330,725	6,489,888
Total	**51,186,970**	**67,729,828**	**13,080,646**	**105,836,152**	**7,590,782**	**15,245,285**	**2,978,898**	**19,857,169**	**85,978,983**	**43,596,188**

(Amount in ₹)

Particulars	Gross block				Depreciation and amortisation				Net block	
	As at 31 March 2017	Additions	Deductions	As at 31 March 2018	As at 31 March 2017	For the Year	Deductions	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Computers	-	4,831,072	-	4,831,072	-	2,339,811	-	2,339,811	2,491,261	-
Furniture and Fittings	-	36,222,358	-	36,222,358	-	2,902,603	-	2,902,603	33,319,755	-
Vehicles	-	1,562,273	245,945	1,316,328	-	123,970	102,926	21,044	1,295,284	-
Office Equipment	-	8,817,212	-	8,817,212	-	2,327,324	-	2,327,324	6,489,888	-
Total	**-**	**51,432,915**	**245,945**	**51,186,970**	**-**	**7,693,708**	**102,926**	**7,590,782**	**43,596,188**	**-**

11. Intangible assets

(Amount in ₹)

Particulars	Gross block				Depreciation and amortisation				Net block	
	As at 31 March 2018	Additions	Deductions	**As at 31 March 2019**	As at 31 March 2018	For the Year	Deductions	**As at 31 March 2019**	**As at 31 March 2019**	As at 31 March 2018
Computer Software	11,825,346	6,479,787	-	18,305,133	2,886,375	5,913,124	-	8,799,499	9,505,634	8,938,971
Trademark and Patent	686,000	-	-	686,000	49,751	137,200	-	186,951	499,049	636,249
Total	**12,511,346**	**6,479,787**	**-**	**18,991,133**	**2,936,126**	**6,050,324**	**-**	**8,986,450**	**10,004,683**	**9,575,220**

(Amount in ₹)

Particulars	Gross block				Depreciation and amortisation				Net block	
	As at 31 March 2017	Additions	Deductions	As at 31 March 2018	As at 31 March 2017	For the Year	Deductions	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Computer Software	-	11,825,346	-	11,825,346	-	2,886,375	-	2,886,375	8,938,971	-
Trademark and Patent	-	686,000	-	686,000	-	49,751	-	49,751	636,249	-
Total	**-**	**12,511,346**	**-**	**12,511,346**	**-**	**2,936,126**	**-**	**2,936,126**	**9,575,220**	**-**

12. Other non-financial assets

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Prepaid Expenses	5,542,123	6,075,139	12,266
Gratuity Asset (Net)	6,114,953	-	-
Deferred Lease Rentals	12,443,319	8,868,501	-
Advances recoverable in Cash or Kind for Value to be received	19,584,286	6,814,477	-
Total	**43,684,681**	**21,758,117**	**12,266**

13. Payables

I) Trade payables

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	94,253,015	20,187,503	42,486
Total	**94,253,015**	**20,187,503**	**42,486**

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is given below.

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
a) Amount outstanding but not due as at year end	-	-	-
b) Amount due but unpaid as at the year end	-	-	-
c) Amounts paid after appointed date during the year	-	-	-
d) Amount of interest accrued and unpaid as at year end	-	-	-
e) The amount of further interest due and payable even in the succeeding year	-	-	-

II) Other payables

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	49,888,098	434,016,839	-
Total	**49,888,098**	**434,016,839**	**-**

14. Debt securities – At amortised cost

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Secured			
Non-Convertible Debentures	3,973,665,239	3,956,108,732	-
Total (A)	**3,973,665,239**	**3,956,108,732**	**-**
Debt Securities in India	3,973,665,239	3,956,108,732	-
Debt Securities outside India	-	-	-

The Company has issued 4,000 redeemable non-convertible debentures as on 28 September 2017 aggregating to ₹400 Crores which carry interest at the rate of 9.4% per annum payable annually. These debentures are redeemable at the end of 3 years from the date of allotment. The debentures are secured by way of first *pari passu* charge against the book debts and loan assets of the Company which are standard.

15. Borrowings (Other than debt securities) – At amortised cost

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Secured			
Term Loans from Banks	4,443,408,325	498,313,723	-
(*Pari passu* first charge by way of hypothecation of entire receivables of the Company arising out of loan, on all other book debts and on such other current assets as may be identified by the Company from time to time.)			
Loans from Others			
- Loans repayable on demand from group Company			51,419,568
Total (A)	**4,443,408,325**	**498,313,723**	**51,419,568**
Borrowings in India	4,443,408,325	498,313,723	51,419,568
Borrowings outside India		-	-
Total (B) to Tally with (A)	**4,443,408,325**	**498,313,723**	**51,419,568**

Terms of repayment, nature of security & rate of interest in case of borrowings (Other than debt securities)

(Amount in ₹)

As at 31 March 2019	Interest rate	0-3 years	3-5 years	>5 years	Total
Secured					
Term Loans from Banks	Fixed & floating				
Federal Bank		375,000,000	62,500,000	-	**437,500,000**
Federal Bank		375,000,000	62,500,000	-	**437,500,000**
ICICI Bank		1,000,000,000	-	-	**1,000,000,000**
Kotak Mahindra Bank		846,153,846	153,846,154	-	**1,000,000,000**
Collateralised Borrowing (Refer Note 52)	Fixed & floating	708,394,759	108,838,523	762,413,790	**1,579,647,072**
Non-Convertible Debentures	Fixed	4,000,000,000	-	-	**4,000,000,000**

The rate of interest on above Term Loan, Collateralised Borrowing and Non-Convertible Debentures is in the range of 9% p.a. to 10% p.a.

(Amount in ₹)

As at 31 March 2018	Interest Rate	0-3 years	3-5 years	>5 years	**Total**
Secured					
Term Loans from Banks					
Federal Bank	Floating	312,500,000	187,500,000	-	**500,000,000**
Non-Convertible Debentures	Fixed	4,000,000,000	-	-	**4,000,000,000**

The rate of interest on above Term Loan and Non-Convertible Debentures is in the range of 9% p.a. to 10% p.a.

The Company has not defaulted in repayment of its dues to lenders.

16. Other financial liabilities

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Interest Accrued but not due on Borrowings	200,147,397	194,269,854	10,281,725
Employee Benefits Payable	146,579	3,643,809	8,750,000
Book Overdraft	222,719,840	188,043,848	-
Total	**423,013,816**	**385,957,511**	**19,031,725**

17. Current tax liabilities (Net)

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Provision for Tax (Net of Advance Tax)	117,553,566	-	-
Total	**117,553,566**	**-**	**-**

18. Provisions

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Provision for employee benefits			
Gratuity (Net)	-	7,193,742	87,965
Compensated absences	-	5,300,076	-
Total	**-**	**12,493,818**	**87,965**

19. Deferred tax liabilities (Net)

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Deferred Tax Liabilities (Net)	13,711,295	23,122,366	-
Total	**13,711,295**	**23,122,366**	**-**

Deferred tax assets/Liabilities

The major components of deferred tax assets and liabilities are:

(Amount in ₹)

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
a) Depreciation	-	331,118,295	-	189,906,793	-	-
b) Provisions and Contingencies	16,455,108	-	13,655,955	-	8,198	-
c) Provision for Employee Benefits	-	-	326,097	-	-	-
d) MAT Credit Entitlement	114,852,913	-	-	-	-	-
e) Others (Net)	-	-	-	-	-	-
Unamortised processing Fees	21,780,789	-	2,306,775	-	-	-
Deferred Lease Rental	159,282	-	71,892	-	-	-
Unabsorbed Depreciation b/f	181,245,411	-	166,355,194	-	-	-
Unamortised Debenture Cost	-	7,668,682	-	12,781,137	-	-
Unamortised processing fees on term Loan	-	3,272,723	-	490,793	-	-
Mark to market gain on Mutual Funds	-	476,152	-	1,261,944	-	-
Unamortised File Processing Cost	-	5,668,946	-	1,397,611	-	-
Total	**334,493,503**	**348,204,799**	**182,715,913**	**205,838,279**	**8,198**	**-**
Net Deferred Tax Liability		**13,711,295**		**23,122,366**		**(8,198)**

Movements in deferred tax liabilities

(Amount in ₹)

Particulars	Property, plant and equipment	Provisions	Financial assets at fair value through profit or loss	Financial assets at FVOCI	Others	Total
As at 1 April 2017	-	(8,198)	-	-	-	(8,198)
Charged/(Credited)						-
- to Profit or Loss	23,551,599	(13,973,854)	1,261,944	-	12,290,874	23,130,564
As at 31 March 2018	**23,551,599**	**(13,982,052)**	**1,261,944**	**-**	**12,290,874**	**23,122,366**
Charged/(Credited)						-
- to Profit or Loss	126,321,285	(2,473,056)	(785,793)	-	(17,620,593)	105,441,843
- MAT Credit Entitlement	-	-	-	-	(114,852,913)	(114,852,913)
As at 31 March 2019	**149,872,884**	**(16,455,108)**	**476,152**	**-**	**(120,182,632)**	**13,711,295**

20. Other non-financial liabilities

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Statutory Dues	11,974,027	7,005,555	438,473
Total	**11,974,027**	**7,005,555**	**438,473**

21. Share capital

(Amount in ₹)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Authorised			
985,000,000 Equity Shares of ₹10 each (Previous year 985,000,000 Equity shares of ₹10 each)	9,850,000,000	9,850,000,000	20,500,000
15,000,000 Compulsory convertible preference shares of ₹10 each (Previous year 15,000,000 Compulsory convertible preference shares of ₹ 10 each)	150,000,000	150,000,000	150,000,000
	10,000,000,000	**10,000,000,000**	**170,500,000**
Issued, subscribed and fully paid-up:			
686,840,000 Equity Shares of ₹10 each, fully paid-up. (Previous year 676,000,000 Equity Shares of ₹10 each)	6,868,400,000	6,760,000,000	20,500,000
Loan to Employee Welfare Trust	(108,400,000)	-	-
	6,760,000,000	**6,760,000,000**	**20,500,000**

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of shares	₹	No. of shares	₹	No. of shares	₹
Equity Shares outstanding as at the beginning of the year	676,000,000	6,760,000,000	2,050,000	20,500,000	2,050,000	20,500,000
Equity Shares issued during the year	10,840,000	108,400,000	673,950,000	6,739,500,000	-	-
Equity Shares outstanding as at the end of the year	**686,840,000**	**6,868,400,000**	**676,000,000**	**6,760,000,000**	**2,050,000**	**20,500,000**

Details of shareholders holding more than five percent shares in the Company are given below:

Particulars	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	No. of shares	₹	% of Holding	No. of shares	₹	% of Holding	No. of shares	₹	% of Holding
Arpwood Partners Investment Advisors LLP	90,899,000	908,990,000	13.45	116,000,000	1,160,000,000	17.16	-	-	-
Lyra Partners Ltd	560,000,000	5,600,000,000	82.84	560,000,000	5,600,000,000	82.84	-	-	-
MAPE Advisory Group Private Limited and its nominee	-	-	-	-	-	-	2,050,000	20,500,000	100

Terms and rights attached to equity shares

The Company has single class equity shares having a par value of ₹10 per equity share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders if any. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held. Upon show of hands, every Member present in person and holding any equity share capital therein, shall have one vote, in respect of such capital, on every resolution placed before the Company.

The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting.

During the year pursuant to a resolution passed by the Board of Directors in their meeting held on 15 March 2019, the Company has issued 10,840,000 equity shares of ₹10 each at a premium of ₹2.50 each to SBFC Employee Welfare Trust (Refer Note 42).

22. Other equity

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Statutory Reserve u/s 45-IC of the RBI Act, 1934			
Balance as per the last Financial Statements	1,019,135	1,019,135	1,019,135
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	48,870,572	-	-
Closing Balance	**49,889,707**	**1,019,135**	**1,019,135**
Employee Share Option Outstanding			
Balance as per the last Financial Statements	-	-	-
Add: Additions during the year	74,902,039	-	-
Closing Balance	**74,902,039**	**-**	**-**
Securities Premium			
Balance as per the last Financial Statements	1,684,875,000	-	-
Add: Additions during the year	27,100,000	1,684,875,000	-
Less: Loan to Employee Welfare Trust	(27,100,000)	-	-
Closing Balance	**1,684,875,000**	**1,684,875,000**	**-**
Retained Earnings			
Surplus/ (Deficit) in Statement of Profit or Loss	35,113,271	3,777,351	3,777,351
Profit for the year	244,352,859	31,335,920	-
Less: Transfer to Statutory Reserve	(48,870,572)	-	-
Add/Less: Ind AS adjustments on Transition	-	-	-
Closing Balance	**230,595,559**	**35,113,271**	**3,777,351**
Other Comprehensive Income			
Balance as per the last Financial Statements	3,322,139	-	-
Additions/(Deletions) during the year	(1,260,545)	3,322,139	-
Closing Balance	**2,061,594**	**3,322,139**	**-**
Money received against Share Warrants	-	20,000	-
Total	**2,042,323,898**	**1,724,349,545**	**4,796,486**

Securities premium reserve: Securities premium reserve is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

Statutory reserve: It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

Other comprehensive income: It represents the gains/(losses) arising on account of actuarial valuation of defined benefit obligation.

Employee share option outstanding: The Company has a share option scheme under which options to subscribe for the Company's shares have been granted to certain employees including key management personnel. The share-based payment reserve is used to recognize the value of equity-settled share-based payments provided to employees, as part of their remuneration.

Money received against share warrants: 80,654,506 warrants of ₹10 each entitle the holder thereof to subscribe for and be allotted one equity share of the face value of ₹10 each, at a price of ₹12.5 each per equity share within the period of 18 months from the date of allotment i.e. 25 September 2017 (expiry Date: 25 March 2019).

23. Interest income

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	On financial assets measured at amortised cost	On financial assets measured at amortised cost
Interest on Loans	1,523,288,971	668,210,020
Interest on Deposits from Banks	24,278,093	5,705,203
Total	**1,547,567,064**	**673,915,223**

24. Fees and commission income

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Fee Income	16,414,486	2,327,262
Total	**16,414,486**	**2,327,262**

25. Net gain on fair value changes

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Mutual Funds		
Total Net Gain on Fair Value Changes (A)	121,050,130	86,874,284
Fair Value Changes:(B)		
- Realised	123,748,594	82,540,684
- Unrealised	(2,698,464)	4,333,600
Total Net Gain on Fair Value Changes	**121,050,130**	**86,874,284**

26. Other Operating Income

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Advertisement Income	20,134,300	-
Collection Fees	15,116,086	18,413,831
Other Charges	46,344,109	33,841,064
Total	**81,594,495**	**52,254,895**

Note:- Other charges mainly includes prepayment charges and foreclosure fee recovered from the customer.

27. Other Income

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on Income Tax Refund	103,808	-
Others	1,001,222	956,943
Total	**1,105,030**	**956,943**

28. Finance costs (On financial liabilities measured at amortised cost)

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on Borrowings	102,662,894	26,951,920
Interest on Debt Securities	393,556,504	199,353,593
Other Interest Expenses	7,688,176	-
Total	**503,907,574**	**226,305,513**

29. Impairment on financial instruments

The table below shows the Expected Credit Loss charges in terms of Ind AS guidelines on financial instruments for the year recorded in the profit and loss based on evaluation stage:

(Amount in ₹)

Particulars	2018-19				2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans and Advances to Customers	20,670,277	(2,477,050)	(17,182,059)	1,011,168	18,543,087	5,042,640	23,309,725	46,895,451
Total Impairment Loss	**20,670,277**	**(2,477,050)**	**(17,182,059)**	**1,011,168**	**18,543,087**	**5,042,640**	**23,309,725**	**46,895,451**

30. Employee Benefits Expenses

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and Bonus	497,044,828	245,713,270
Contribution to Provident Fund and Other Funds	21,175,029	7,896,991
Gratuity	4,032,690	2,673,852
* Employee Share Based Payment	74,902,039	-
Staff Training and Welfare Expenses	5,484,052	1,513,679
Total	**602,638,638**	**257,797,792**

* During the Financial Year 2018-19 the Company has granted 50,425,000 options. Refer Note 42.

31. Other Expenses

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Travelling and Conveyance	14,704,040	5,111,868
Printing and Stationery	4,559,301	3,107,140
Postage, Telephone and Fax	11,367,278	5,498,976
Business Promotion Expenses	6,661,763	5,006,227
Assets Written-Off	8,872,978	-
Loss on Sale of repossessed Assets	130,126	195,129
Repairs and Maintenance - Others	19,516,219	4,677,409
Office Maintenance	46,391,241	19,421,761
Legal & Professional Expenses	64,559,245	78,750,921
Share Issue Expenses	1,450	36,673,627
Auditors' Remuneration	3,374,737	3,433,202
Rent	69,645,763	34,701,474
Rates and Taxes	22,171,996	15,789,410
Electricity Charges	8,472,202	3,646,369
Insurance Charges	1,560,148	907,503
Miscellaneous Expenses	7,095,026	3,312,517
Total	**289,083,513**	**220,233,533**

Disclosures:

i. Payments to auditors

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Audit Fees	2,000,000	2,000,000
Tax Audit	300,000	300,000
Other Tax Matters and Certification	1,000,000	1,100,000
Reimbursement of Expenses	74,737	33,202
Total	**3,374,737**	**3,433,202**

Auditors' Remuneration above is excluding Goods and Service Tax.

32. Income taxes relating to continuing operations

1. Income Tax recognised in profit or loss

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current Tax		
In respect of the Current Year	114,852,913	-
Deferred Tax		
In respect of the Current Year	105,441,843	23,130,564
MAT Credit Entitlement	(114,852,913)	
Total Income Tax Expense recognised in the current year relating to continuing operations	**105,441,843**	**23,130,564**

2. Reconciliation of income tax expense of the year:

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Standalone Profit Before Tax	349,794,702	(847,437,536)
Adjustments of Allowable and Non-Allowable Income and Expenses:		
Tax Effect of Non-Deductible Expenses	40,327,619	276,163,133
Tax Effect of Ind As Adjustments	63,208,743	-
Tax Effect of Income Considered Separately	(652,592,055)	(88,245,887)
Tax Effect of Capital Gain on Sale of Mutual Funds	123,745,099	82,540,684
Tax Effect of Income from Other Sources	24,381,901	5,705,203
Earlier Loss Set Off	-	-
Total Taxable Profits/(Loss)	**(51,133,990)**	**(571,274,403)**
Computation of MAT Payable on the Book Profits as per Section 115JB	348,534,157	(847,437,536)
Less: Adjustment in Compliance with 115JB (2C)	175,756,331	-
Add: Items Not Deductible	29,994,954	909,818,751
Less: Items Deductible	(21,295,609)	(878,604,151)
Total Taxable Book Profits	532,989,833	(816,222,936)
MAT Tax Expenses	114,852,913	-
Less: MAT Credit Entitlement shown as Asset	(114,852,913)	-
Add: Deferred Tax Liability	105,441,843	23,130,564
Income Tax Expense recognised in Statement of Profit and Loss	**105,441,843**	**23,130,564**

3. Income tax rate is as follows:

(tax rates in %)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Normal Tax Rate	25.00	25.00
Surcharge (@ 7% of Normal Tax Rate)	-	1.75
Surcharge (@ 12% of Normal Tax Rate)	3.00	-
Education Cess (including Secondary and Higher Education Cess) applicable for AY 2018-19	-	0.80
Health and Education Cess Applicable for AY 2019-20	1.12	-
Total Tax Rate	**29.12**	**27.55**
Tax Rate payable u/s 115JB of the Income Tax Act, 1961	**18.50**	**18.50**
Surcharge (@ 12% of Normal Tax Rate)	2.22	2.22
Education Cess (including Secondary and Higher Education Cess) applicable for AY 2018-19	-	0.62
Health and Education Cess applicable for AY 2019-20	0.83	-
Total Tax Rate Payable under Section 115JB of the Income Tax Act, 1961	**21.55**	**21.34**

Note: For the year ended 31 March 2019, the Company had no Taxable Income as per normal Tax provisions. However the Company paid MAT@ 21.5488% on book profit. For the year ended 31 March 2018 the Company had no taxable income.

33. Deferred tax

The following table shows deferred tax recorded in the Balance sheet and changes recorded in the Income tax expense:

(Amount in ₹)

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement
	As at 31 March 2019	As at 31 March 2019	For the year ended 31 March 2019
Provisions	2,504,700	-	(2,504,700)
Depreciation	181,245,411	331,118,295	126,321,285
Provision for Employee Benefits	-	-	326,097
Impairment Allowance for Financial Assets	13,950,408	-	(294,452)
Fair Value of Financial Instruments held for trading	-	476,152	(785,793)
Other Temporary Differences	21,940,071	16,610,352	(17,620,593)
MAT Credit Entitlement	114,852,913		(114,852,913)
Total	**334,493,503**	**348,204,799**	**(9,411,070)**

(Amount in ₹)

Particulars	Deferred tax assets	Deferred tax liabilities	Income statement
	As at 31 March 2018	As at 31 March 2018	For the year ended 31 March 2018
Provisions	(8,198)	-	8,198
Depreciation	166,355,194	189,906,793	23,551,599
Provision for Employee Benefits	326,097	-	(326,097)
Impairment Allowance for Financial Assets	13,655,955	-	(13,655,955)
Fair Value of Financial Instruments held for trading	-	1,261,944	1,261,944
Other Temporary Differences	2,378,668	14,669,542	12,290,874
Total	**182,707,715**	**205,838,279**	**23,130,564**

(Amount in ₹)

Particulars	Deferred tax liabilities	Deferred tax liabilities
	As at 1 April 2017	As at 1 April 2017
Provisions	8,198	-
Total	**8,198**	**-**

The applicable Indian corporate Statutory Tax rate for the Financial year 2018-19 is 29.12%.

34. Other Comprehensive Income

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Other Comprehensive Income		
Items that will not be reclassified to Profit or Loss		
Remeasurement of defined benefit Costs	(1,260,545)	3,322,139
Income Tax relating to these items	367,071	-
Other Comprehensive Income for the year (Net of Tax)	**(893,474)**	**3,322,139**

35.1 Loan against property

1.1 Credit quality of assets

(Amount in ₹)

Particulars	As at 31 March 2019				As at 31 March 2018				As at 1 April 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal Rating Grade*												
Performing	-	-	-	-	-	-	-	-	-	-	-	-
High Grade	8,228,894,743	-	-	**8,228,894,743**	5,679,569,172	-	-	**5,679,569,172**	-	-	-	-
Standard Grade	-	-	-	-	-	-	-	-	-	-	-	-
Sub-standard Grade	-	143,470,324	-	**143,470,324**	-	221,441,214	-	**221,441,214**	-	-	-	-
Past due but not Impaired	-	-	-	-	-	-	-	-	-	-	-	-
Individually Impaired	-	-	40,957,915	**40,957,915**	-	-	94,447,478	**94,447,478**	-	-	-	-
Total	**8,228,894,743**	**143,470,324**	**40,957,915**	**8,413,322,982**	**5,679,569,172**	**221,441,214**	**94,447,478**	**5,995,457,864**	-	-	-	-

1.2 An analysis of changes in the gross carrying amount (excluding interest) and the corresponding Expected Credit Loss allowances in relation to lending is as follows:

(Amount in ₹)

Particulars	As at 31 March 2019				As at 31 March 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	5,679,569,172	221,441,214	94,447,478	**5,995,457,864**	-	-	-	-
New assets originated	4,345,563,438	22,879,556	14,719,292	**4,383,162,286**	5,679,569,172	221,441,214	94,447,478	**5,995,457,864**
Assets Derecognised or Repaid (excluding write-offs)	(1,796,237,867)	(100,850,446)	(68,208,855)	**(1,965,297,168)**	-	-	-	-
Transfers to Stage 1	13,980,294	(10,124,372)	(3,855,922)	-	-	-	-	-
Transfers to Stage 2	(106,463,903)	106,463,903	-	-	-	-	-	-
Transfers to Stage 3	(23,458,255)	-	23,458,255	-	-	-	-	-
Gross carrying amount closing balance	**8,228,894,743**	**143,470,324**	**40,957,915**	**8,413,322,982**	**5,679,569,172**	**221,441,214**	**94,447,478**	**5,995,457,864**

Reconciliation of Expected Credit Loss (ECL) balance is given below:

(Amount in ₹)

Particulars	As at 31 March 2019				As at 31 March 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL Allowance -opening balance	47,848,780	4,435,245	29,319,768	**81,603,793**	-	-	-	-
New Assets Originated	30,322,391	344,170	4,439,654	**35,106,215**	47,848,780	4,435,245	29,319,768	**81,603,793**
Assets Derecognised or Repaid (excluding write-offs)	(22,117,756)	(2,794,353)	(21,324,335)	**(46,236,444)**	-	-	-	-
Transfers to Stage 1	96,308	(69,549)	(26,759)	-	-	-	-	-
Transfers to Stage 2	(1,447,201)	1,447,201	-	-	-	-	-	-
Transfers to Stage 3	(7,154,135)		7,154,135	-	-	-	-	-
Amounts written-off	-	-	-	-	-	-	-	
ECL Allowance - closing balance	**56,053,416**	**1,985,062**	**12,435,087**	**70,473,564**	**47,848,780**	**4,435,245**	**29,319,768**	**81,603,793**

*Internal rating grades are classified on below basis

Grade	Classification basis	Stage
High Grade	0 DPD	Stage 1
Standard Grade	1-29 DPD	Stage 1
Sub-standard Grade	30-59 DPD	Stage 2
Past due but not Impaired	60-89 DPD	Stage 2
Individually Impaired	>=90 DPD & Restructured	Stage 3

Loan given default

(In %)

Particulars	**As at 31 March 2019**	As at 31 March 2018	As at 1 April 2017
LGD	29.20	29.20	-

Probability of default

(In %)

Particulars	**As at 31 March 2019**	As at 31 March 2018	As at 1 April 2017
Stage 1	2.70	2.70	-
Stage 2*	18.89	18.89	-
Stage 3	100.00	100.00	-

*The Lifetime PD is computed using basic exponentiation technique after considering the residual maturity of the respective loan.

35.2 Loan against gold

1.1 Credit quality of assets

(Amount in ₹)

Particulars	As at 31 March 2019				As at 31 March 2018				As at 1 April 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*												
Performing	-	-	-	-	-	-	-	-	-	-	-	-
High Grade	2,430,312,692	-	-	**2,430,312,692**	1,516,390,964	-	-	**1,516,390,964**	-	-	-	-
Standard Grade	-	-	-	-	-	-	-	-	-	-	-	-
Sub-standard Grade	-	246,817,543	-	**246,817,543**	-	252,035,857	-	**252,035,857**	-	-	-	-
Past due but not Impaired	-	-	-	-	-	-	-	-	-	-	-	-
Non-performing	-	-	-	-	-	-	-	-	-	-	-	-
Individually Impaired	-	-	9,244,882	**9,244,882**	-	-	12,074,441	**12,074,441**	-	-	-	-
Total	**2,430,312,692**	**246,817,543**	**9,244,882**	**2,686,375,117**	**1,516,390,964**	**252,035,857**	**12,074,441**	**1,780,501,262**	-	-	-	-

1.2 An analysis of changes in the gross carrying amount (excluding interest) and the corresponding Expected Credit Loss allowances in relation to lending is as follows:

(Amount in ₹)

Particulars	As at 31 March 2019				As at 31 March 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**1,516,390,964**	**252,035,857**	**12,074,441**	**1,780,501,262**	-	-	-	-
New Assets originated	2,389,765,104	206,287,015	5,106,627	**2,601,158,746**	1,516,390,964	252,035,857	12,074,441	**1,780,501,262**
Assets Derecognised or Repaid (excluding write-offs)	(1,475,843,376)	(211,505,329)	(7,936,186)	**(1,695,284,891)**	-	-	-	-
Transfers to Stage 1	34,798	(34,798)	-	-	-	-	-	-
Transfers to Stage 2	(40,319,789)	40,319,789	-	-	-	-	-	-
Transfers to Stage 3	(2,992,088)	(1,146,167)	4,138,255	-	-	-	-	-
Amounts written-off	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**2,430,312,692**	**246,817,543**	**9,244,882**	**2,686,375,117**	**1,516,390,964**	**252,035,857**	**12,074,441**	**1,780,501,262**

Reconciliation of Expected Credit Loss (ECL) balance is given below:

(Amount in ₹)

Particulars	As at 31 March 2019				As at 31 March 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - opening balance	3,156,290.53	607,394.72	1,269,528.04	**5,033,213.29**	-	-	-	-
New Assets originated	4,873,724.95	476,792.82	537,107.39	**5,887,625.16**	3,156,290.53	607,394.72	1,269,528.04	**5,033,213.29**
Assets Derecognised or Repaid (excluding write-offs)	(3,073,546.96)	(503,659.13)	(834,485.82)	**(4,411,691.91)**	-	-	-	-
Transfers to Stage 1	73.90	(73.90)	-	-	-	-	-	-
Transfers to Stage 2	(103,019.66)	103,019.66	-	-	-	-	-	-
Transfers to Stage 3	(314,597.01)	(120,445.22)	435,042.23	-	-	-	-	-
Amounts written-off	-	-	-	-	-	-	-	-
ECL Allowance - closing balance	**4,956,468.52**	**580,528.40**	**972,149.61**	**6,509,146.54**	**3,156,290.53**	**607,394.72**	**1,269,528.04**	**5,033,213.29**

***Internal rating grades are classified on below basis**

Grade	Classification Basis	Stage
High Grade	0 DPD	Stage 1
Standard Grade	1-29 DPD	Stage 1
Sub-standard Grade	30-59 DPD	Stage 2
Past due but not Impaired	60-89 DPD	Stage 2
Individually Impaired	>=90 DPD & Restructured	Stage 3

Loan Given Default

(In %)

Particulars	**As at 31 March 2019**	As at 31 March 2018	As at 1 April 2017
LGD	10	10	-

Probability of Default

(In %)

Particulars	**As at 31 March 2019**	As at 31 March 2018	As at 1 April 2017
Stage 1	2.44	2.44	-
Stage 2*	2.53	2.53	-
Stage 3	100.00	100.00	-

* The Lifetime PD is computed using basic exponentiation technique after considering the residual maturity of the respective loan.

35.3 Personal loan

1.1 Credit quality of assets

(Amount in ₹)

Particulars	**As at 31 March 2019**				As at 31 March 2018				As at 1 April 2017			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade*												
Performing	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
High Grade	426,505,237	-	-	**426,505,237**	3,954,036	-	-	**3,954,036**	-	-	-	**-**
Standard Grade	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Sub-standard Grade	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Past due but not Impaired	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Non-performing	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Individually Impaired	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Total	**426,505,237**	**-**	**-**	**426,505,237**	**3,954,036**	**-**	**-**	**3,954,036**	**-**	**-**	**-**	**-**

1.2 An analysis of changes in the gross carrying amount (excluding interest) and the corresponding Expected Credit Loss allowances in relation to lending is as follows:

(Amount in ₹)

Particulars	As at 31 March 2019				As at 31 March 2018			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**3,954,036.00**	**-**	**-**	**3,954,036.00**	**-**	**-**	**-**	**-**
New Assets originated	423,346,558.00	-	-	423,346,558.00	3,954,036.00	-	-	3,954,036.00
Assets Derecognised or Repaid (excluding write-offs)	(795,357.00)	-	-	(795,357.00)	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Amounts written-off	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	**426,505,237.00**	**-**	**-**	**426,505,237.00**	**3,954,036.00**	**-**	**-**	**3,954,036.00**

Reconciliation of Expected Credit Loss (ECL) balance is given below:

(Amount in ₹)

Particulars	As at 31 March 2019				As at 31 March 2018			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Allowance – opening balance								
New Assets originated	**10,665,463**	**-**	**-**	**10,665,463**	**-**	**-**	**-**	**-**
Assets Derecognised or Repaid (excluding write-offs)	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Amounts written-off	-	-	-	-	-	-	-	-
ECL Allowance – closing balance	**10,665,463**	**-**	**-**	**10,665,463**	**-**	**-**	**-**	**-**

***Internal rating grades are classified on below basis**

(In %)

Grade	Classification Basis	Stage
High Grade	0 DPD	Stage 1
Standard Grade	1-29 DPD	Stage 1
Sub-standard Grade	30-59 DPD	Stage 2
Past due but not Impaired	60-89 DPD	Stage 2
Individually Impaired	>=90 DPD & Restructured	Stage 3

12 month PD is taken at 6.5% and LGD is taken as 46%. There are no loans in the Stage 2 or Stage 3 category.

36. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. They have been classified to mature and/or be repaid within 12 months or after 12 months. With regard to loans and advances to customers, the Company uses the same basis of expected repayment as used for estimating the Effective Interest Rate (EIR).

(Amount in ₹)

Particulars	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
Assets	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Cash and Cash Equivalents	1,800,843,038	-	**1,800,843,038**	71,001,571	-	**71,001,571**	5,035	-	**5,035**
Bank Balance other than (a) above	155,256,416	-	**155,256,416**	661,121,396	-	**661,121,396**	-	-	**-**
Loans	3,348,132,230	8,275,796,755	**11,623,928,985**	2,403,938,386	5,495,697,864	**7,899,636,249**	95,207,027	-	**95,207,027**
Investments	1,667,635,185	-	**1,667,635,185**	2,574,333,599	-	**2,574,333,599**	-	-	**-**
Other Financial Asset	22,797,951	18,690,131	**41,488,082**	9,730,839	16,050,214	**25,781,053**	-	-	**-**
Total Assets	**6,994,664,820**	**8,294,486,886**	**15,289,151,706**	**5,720,125,791**	**5,511,748,078**	**11,231,873,868**	**95,212,062**	**-**	**95,212,062**
Liabilities									
Financial Liabilities									
Trade Payables			**-**			**-**			
(ii) total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	94,253,015		**94,253,015**	20,187,503		**20,187,503**	42,486	-	**42,486**
Other payables			**-**			**-**			
(ii) total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	49,888,098		**49,888,098**	434,016,839		**434,016,839**	-	-	**-**
Debt Securities	(17,556,507)	3,991,221,746	**3,973,665,239**	(17,556,507)	3,973,665,239	**3,956,108,732**	-	-	**-**
Borrowings (Other than Debt Securities)	1,500,894,263	2,942,514,061	**4,443,408,324**	62,124,140	436,189,583	**498,313,723**	51,419,568	-	**51,419,568**
Other financial Liabilities	423,013,816	-	**423,013,816**	385,957,511	-	**385,957,511**	19,031,725	-	**19,031,725**
Total Liabilities	**2,050,492,685**	**6,933,735,807**	**8,984,228,492**	**884,729,486**	**4,409,854,822**	**5,294,584,308**	**70,493,779**	**-**	**70,493,779**
Net	**4,944,172,135**	**1,360,751,079**	**6,304,923,214**	**4,835,396,305**	**1,101,893,256**	**5,937,289,561**	**24,718,283**	**-**	**24,718,283**

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board. For details of Capital to Risk Assets Ratio (CRAR) refer Note no. 55.1

37. Change in liabilities arising from financing activities

(Amount in ₹)

Particulars	As at 1 April 2018	Cash Flow	As at 31 March 2019
Debt Securities	4,000,000,000	-	4,000,000,000
Borrowings other than Debt Securities	499,999,140	3,954,647,932	4,454,647,072
Total Liabilities from Financing Activities	**4,499,999,140**	**3,954,647,932**	**8,454,647,072**

38. Reconciliation of Equity as previously reported under IGAAP to Ind AS

(Amount in ₹)

Particulars	As at 31 March 2018	As at 1 April 2017
Total Equity as reported under the previous GAAP (A)	**7,602,245,752**	**25,296,486**
(B) Ind AS adjustments on account of:		
a. Fair Valuation of Investments through Profit and Loss	4,333,599	-
b. Interest on Non-Performing Assets	6,391,421	
c. Amortisation of Processing Fees Received/Paid as per Effective Interest Rate	42,454,556	-
d. Amortisation of Deferred Lease Rentals till Transition	(1,203,826)	-
e. Expected Credit Loss on Loans	(15,680,851)	-
f. Reversal of Goodwill Amortization	867,974,317	
g. Other Income	956,943	
h. Deferred Tax Liabilities (Net)	(23,122,366)	
Total Adjustment to Equity (b)	**882,103,793**	**-**
Total Equity under Ind AS (a+b)	**8,484,349,545**	**25,296,486**

39. Reconciliation Statement of Profit & Loss as previously reported under IGAAP to Ind AS

(Amount in ₹)

Particulars	For the year ended 31 March 2018		
	IGAAP	Adjustments	Ind AS
Revenue from Operations			
Interest Income	675,445,421	(1,530,198)	673,915,223
Fees and Commission Income	2,327,262	-	2,327,262
Net Gain on Fair Value Changes	82,540,684	4,333,600	86,874,284
Other Operating Income	52,254,895	-	52,254,895
Total Revenue from Operations	**812,568,262**	**2,803,402**	**815,371,664**
Other Income	-	956,942.67	956,942.67
Expenses			
Finance Costs	271,882,198	(45,576,685)	226,305,513
Impairment on Financial Instruments (Expected Credit Loss)	31,214,600	15,680,851	46,895,451
Employee Benefit Expense	254,475,653	3,322,139	257,797,792
Depreciation and Amortization Expense	878,604,151	(867,974,317)	10,629,834
Other Expenses	223,829,195	(3,595,663)	220,233,533
Total Expenses	**1,660,005,797**	**(898,143,675)**	**761,862,123**
Profit Before Exceptional Items and Tax	(847,437,535)	901,904,020	54,466,484
Profit Before Tax	**(847,437,535)**	**901,904,020**	**54,466,484**
Tax Expense			
- Current Tax (MAT)			-
- Deferred Tax	8,198	23,122,366	23,130,564
Total Tax Expense	**8,198**	**23,122,366**	**23,130,564**
Net Profit After Tax	**(847,445,733)**	**878,781,654**	**31,335,920**
Re-measurement of Net Defined Benefit	-	3,322,139	3,322,139
Total Comprehensive Income	**(847,445,733)**	**882,103,793**	**34,658,059**

1. Under previous GAAP, loans were carried at cost whereas under Ind AS loans are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The loans that meet the business model and contractual cash flow tests are measured at amortised cost and interest income is recognised as per effective interest rate method.

2. Under Previous GAAP, borrowings were recorded at cost and transaction costs were charged to Statement of Profit and Loss on a systematic basis over the tenure of the borrowing. Under Ind AS, transaction cost incurred towards origination of borrowings is required to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method.

3. Under the previous GAAP, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability were forming part of the profit or loss for the year. Under Ind AS, these remeasurements are recognised in other comprehensive income instead of profit or loss.

4. Under previous GAAP, provision for loans was calculated using incurred loss model. Under Ind AS, the provision on financial assets needs to be calculated using the expected credit loss model.

5. Under previous GAAP, the Goodwill was amortised over a period of time. However, under Ind AS, Goodwill is tested for impairment as on the reporting date.

6. Under previous GAAP, the investment in Mutual Funds were carried at lower of the cost and fair value. However, under Ind AS, these are measured at fair value through profit and loss.

40. Fair value measurements

Financial instruments by category

(Amount in ₹)

Particulars	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Fair value through profit or loss	Amortised cost	Total	Fair value through profit or loss	Amortised cost	Total	Fair value through profit or loss	Amortised cost	Total
Financial Assets									
Investments									
Mutual Funds	1,667,635,185	-	**1,667,635,185**	2,574,333,599	-	**2,574,333,599**	-	-	**-**
Loans	-	11,536,280,811	**11,536,280,811**	-	7,812,999,238	**7,812,999,238**	-	94,921,406	**94,921,406**
Cash and Cash Equivalents	-	1,800,843,038	**1,800,843,038**	-	71,001,571	**71,001,571**	-	5,035	**5,035**
Bank balances other than Cash and Cash Equivalents	-	155,256,416	**155,256,416**	-	661,121,396	**661,121,396**	-	-	**-**
Other Financial Assets	-	21,903,796	**21,903,796**	-	18,966,576	**18,966,576**	-	-	**-**
Total Financial Assets	**1,667,635,185**	**13,514,284,061**	**15,181,919,246**	**2,574,333,599**	**8,564,088,781**	**11,138,422,380**	**-**	**94,926,441**	**94,926,441**
Financial Liabilities									
Borrowings	-	4,443,408,325	**4,443,408,325**	-	498,313,723	**498,313,723**	-	51,419,568	**51,419,568**
Debt Securities	-	3,973,665,239	**3,973,665,239**	-	3,956,108,732	**3,956,108,732**	-	-	**-**
Trade Payables	-	94,253,015	**94,253,015**	-	20,187,503	**20,187,503**	-	42,486	**42,486**
Other Payables	-	49,888,098	**49,888,098**	-	434,016,839	**434,016,839**	-	-	**-**
Other Financial Liabilities	-	423,013,816	**423,013,816**	-	385,957,511	**385,957,511**	-	19,031,725	**19,031,725**
Total Financial Liabilities	**-**	**8,984,228,493**	**8,984,228,493**	**-**	**5,294,584,308**	**5,294,584,308**	**-**	**70,493,779**	**70,493,779**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(Amount in ₹)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
As at 31 March 2019						
Financial Assets						
Financial Investments at Fair Value Through Profit or Loss						
Mutual Funds	6	1,667,635,185	-	1,667,635,185	-	**1,667,635,185**
Financial Assets at Amortised Cost						
Cash and Cash Equivalents	3	1,800,843,038	1,800,843,038	-	-	**1,800,843,038**
Bank Balances other than Cash and Cash Equivalents	4	155,256,416	155,256,416	-	-	**155,256,416**
Loans	5	11,536,280,811	-	-	11,536,280,811	**11,536,280,811**
Other Financial Assets	7	21,903,796	-	-	21,903,796	**21,903,796**
Total Financial Assets		**15,181,919,246**	**1,956,099,454**	**1,667,635,185**	**11,558,184,607**	**15,181,919,246**

(Amount in ₹)

Financial assets and liabilities measured at fair value – recurring fair value measurements	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial Liabilities						
Financial Liabilities at Amortised Cost						
Trade Payables	13	94,253,015	-	-	94,253,015	**94,253,015**
Other Payables	13	49,888,098	-	-	49,888,098	**49,888,098**
Other Financial Liabilities	16	423,013,816	-	-	423,013,816	**423,013,816**
Debt Securities	14	3,973,665,239	-	-	3,973,665,239	**3,973,665,239**
Borrowings	15	4,443,408,325	-	-	4,443,408,325	**4,443,408,325**
Total Financial Liabilities		**8,984,228,493**	**-**	**-**	**8,984,228,493**	**8,984,228,493**

(Amount in ₹)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
As at 31 March 2018						
Financial Assets						
Financial Investments at Fair Value through Profit or Loss						
Mutual Funds	6	2,574,333,599	-	2,574,333,599	-	**2,574,333,599**
Financial Assets at Amortised Cost						
Cash and Cash Equivalents	3	71,001,571	71,001,571	-	-	**71,001,571**
Bank Balances other than Cash and Cash Equivalents	4	661,121,396	661,121,396	-	-	**661,121,396**
Loans	5	7,812,999,238	-	-	7,812,999,238	**7,812,999,238**
Other Financial Assets	7	18,966,576	-	-	18,966,576	**18,966,576**
Total Financial Assets		**11,138,422,380**	**732,122,967**	**2,574,333,599**	**7,831,965,814**	**11,138,422,380**
Financial Liabilities						
Financial Liabilities at Amortised Cost						
Trade Payables	13	20,187,503	-	-	20,187,503	**20,187,503**
Other Payables	13	434,016,839	-	-	434,016,839	**434,016,839**
Debt Securities	14	3,956,108,732	-	-	3,956,108,732	**3,956,108,732**
Borrowings	15	498,313,723	-	-	498,313,723	**498,313,723**
Other Financial Liabilities	16	385,957,511	-	-	385,957,511	**385,957,511**
Total Financial Liabilities		**5,294,584,308**	**-**	**-**	**5,294,584,308**	**5,294,584,308**

(Amount in ₹)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
As at 1 April 2017						
Financial Assets						
Financial Assets at Amortised Cost						
Cash and Cash Equivalents	3	5,035	5,035	-	-	**5,035**
Loans	5	94,921,406	-	-	94,921,406	**94,921,406**
Total Financial Assets		**94,926,441**	**5,035**	**-**	**94,921,406**	**94,926,441**
Financial Liabilities						
Financial Liabilities at Amortised Cost						
Trade Payables	13	42,486	-	-	42,486	**42,486**
Borrowings	15	51,419,568	-	-	51,419,568	**51,419,568**
Other Financial Liabilities	16	19,031,725	-	-	19,031,725	**19,031,725**
Total Financial Liabilities		**70,493,779**	**-**	**-**	**70,493,779**	**70,493,779**

(ii) Valuation technique used to determine fair value

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to level 3, as described below.

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (adjusted/unadjusted) for identical assets. This category consists of quoted equity shares.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets, measured using inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes venture fund units, mutual fund units and security receipts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets measured using inputs that are not based on observable market data. Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This category includes unlisted equity shares, preference shares and debentures.

There has been no transfer between level 1, level 2 and level 3 for the year ended 31 March 2018 and 2017.

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair value of Loan approximates the carrying amount.

For financial assets and liabilities measured at fair value, the carrying amounts approximates the fair values.

41. Employee Benefits

(a) Defined Contribution plans

Provident Fund

The Company makes Provident Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the Employee Provident Fund Organisation (Government). The Company is liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 and recognises such deficiency as an expense in the year it is determined.

The Company recognised expense as contribution to provident fund amounting to ₹1,90,18,756/- (Previous year ₹70,46,651/-) in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Defined benefit plans

Gratuity Fund

Characteristics of defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to Small Business FinCredit India Pvt. Ltd. employees group gratuity cash accumulation scheme.

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and Company is exposed to the following risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

The Life Insurance Corporation is managing the Gratuity Plan and the contributions to it is done as guided by rule 103 of Income Tax Rules, 1962.

Other Post Retirement Benefit Plan

The details of the Company's post-retirement benefit plans for its employees including whole-time directors are given below which is as certified by the actuary and relied upon by the auditors:

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Change in the Benefit Obligations:		
Liability at the beginning of the year	7,193,742	87,965
Transfer in Obligation	-	8,415,504
Current Service Cost	3,494,244	2,132,619
Interest Cost	538,446	312,754
Benefits Paid	(3,775,718)	(661,440)
Actuarial Gains - Due to change in Financials Assumptions	1,749,759	(239,516)
Actuarial Gains - Due to change in Demographic Assumptions	259,526	-
Actuarial Losses - Due to Experience	(325,943)	(3,082,623)
Past Service Cost	-	228,479
Liability at the end of the year *	**9,134,056**	**7,193,742**
The Liability at the end of the year ₹9,134,056/ (Previous year: Nil) in respect of funded plan and includes Nil (Previous year: ₹7,193,742 in respect of an un-funded plan.		
Fair Value of Plan Assets:		
Fair Value of Plan Assets at the beginning of the year		-
Expected Return on Plan Assets	422,797	-
Contributions	15,842,199	-
Actuarial Loss on Plan Assets		-
Benefits Paid	(1,015,987)	
Fair Value of Plan Assets at the end of the year	**15,249,009**	**-**
Total Actuarial Loss to be Recognised		
Actual Return on Plan Assets:		
Expected Return on Plan Assets		
Actuarial Loss on Plan Assets		
Actual Return on Plan Assets	422,797	
Reconciliation of the Liability recognised in the Balance Sheet:		
Opening Net Liability	7,193,742	87,965
Transfer in Obligation		8,415,504
Expense recognised in Profit or Loss	4,032,690	2,673,852
Expense recognised in Other Comprehensive Income	1,260,545	(3,322,139)
Contribution by the Company	(15,842,199)	-
Benefits paid by the Company/Insurance Companies	(2,759,731)	(661,440)
Amount recognised in the Balance Sheet under "Assets – Other Non-Financial Assets" ₹ 6,114,953/- (Previous year Nil) and under "Liabilities – Provisions" Nil (Previous year ₹ 7,193,742/-).	**(6,114,953)**	**7,193,742**

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Expense recognised in the Statement of Profit and Loss:		
Current Service Cost	3,494,244	2,132,619
Past Service Cost and Loss on Curtailments and Settlement	-	228,479
Interest Cost	538,446	312,754
Expense recognised in the Statement of Profit and Loss	**4,032,690**	**2,673,852**

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Expense recognised in the Statement of Other Comprehensive Income:		
Actuarial (Gains)/Losses on Obligation for the Period	-	-
Due to change in Financial Assumptions	1,749,759	(239,516)
Due to change in Demographic Assumptions	259,526	
Due to Experience Adjustments	(325,943)	(3,082,623)
Return on Plan Assets, Excluding Interest Income	(422,797)	
Net (Income)/Expense for the year recognised in Statement of OCI	**1,260,545**	**(3,322,139)**

Amount recognised in the Balance Sheet:

(Amount in ₹)

Particulars	2018-19	2017-18
Liability at the end of the year	-	-
Fair Value of Plan Assets at the end of the year	15,249,009	-
Amount recognised in the Balance Sheet under "Long-Term Provision for Employee Benefits" and "Short-Term Provision for Employee Benefits"	(6,114,953)	7,193,742
Experience Adjustment:		
On Plan Liabilities	-	-
On Plan Assets	-	-
Estimated Contribution for next year	5,272,250	-

Investment Pattern:

% Invested

Particulars	Current Year %	Previous year %
Government of India Securities	0%	0%
State Government Securities	0%	0%
High Quality Corporate Bonds	0%	0%
Equity Shares – Quoted	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Policy of Insurance	100%	0%
Bank Balance	0%	0%
Other Investments	0%	0%
Total	**100%**	**0%**

Based on the above allocation and the prevailing yields on these assets, the long-term estimate of the expected rate of return on fund assets has been arrived at 7.70%

Principal assumptions:

(% p.a.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount Rate	7.70%	7.60%
Return on Plan Assets	7.70%	7.60%
Salary Escalation	7.50%	4.00%

The estimate of future salary increase, considered in the actuarial valuation takes account of inflation, seniority, promotion and other relevant factors.

Sensitivity analysis

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Projected benefit obligation on Current Assumptions		
Delta effect of +0.50% Change in rate of Discounting	8,803,728	6,806,308
Delta effect of -0.50% Change in rate of Discounting	9,485,087	7,613,974
Delta effect of +0.50% Change in rate of Salary Increase	9,440,461	7,584,366
Delta effect of -0.50% Change in rate of Salary Increase	8,848,037	6,811,311
Delta effect of +0.50% Change in rate of Employee Turnover	8,975,953	7,266,896
Delta effect of -0.50% Change in rate of Employee Turnover	9,291,773	7,117,044

The sensitivity analysis have been performed by varying a single parameter while keeping all other parameters unchanged.

The sensitivity analysis presented above fails to focus on the inter-relationship between underlying parameters. Hence the results may vary if two or more variables are changed simultaneously.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

Maturity analysis of the benefit payments: From the fund

(Amount in ₹)

Projected benefits payable in future years from the date of reporting	For the year ended 31 March 2019	For the year ended 31 March 2018
1st Following year	564,827	-
2nd Following year	679,557	-
3rd Following year	749,997	-
4th Following year	808,170	-
5th Following year	1,150,583	-
Sum of years 6 To 10	5,552,958	-

Compensated absences

The actuarial liability of compensated absences of privilege leave of the employees of the Company is Nil (Previous year ₹5,300,076/-).

42. Employee stock option

The Company has granted Employee Stock Options (ESOP) under the Small Business FinCredit Stock Option Policy I 2018 spread over a period 1 to 4 years & Small Business FinCredit Stock Option Policy II 2018 spread over a period 1 to 4 years to employees of the Company.

Employee stock option plans

A summary of the general terms of grants under stock options plans are as under:

Name of Plan	Number of options under the Plan	Range of exercise price
Small Business FinCredit Stock Option Policy I 2018	10,840,000	12.5
Small Business FinCredit Stock Option Policy II 2018	40,560,000	12.5

The activity of the Stock Plans is summarised below:

Particulars	Year ended As at 31 March 2019		Year ended As at 31 March 2018	
	Numbers	Exercise Price/ Vesting Price (₹)	Numbers	Exercise Price/ Vesting Price (₹)
Outstanding at the beginning of the year	-	-	-	-
	-	-	-	-
Granted	10,110,000	12.50	-	-
	40,560,000	12.50	-	-
Exercised	-	-	-	-
Forfeited, Expired and Cancelled	245,000	12.50	-	-
	-	-	-	-
Outstanding at the end of the year	9,865,000	12.50	-	-
	40,560,000	12.50	-	-

The following table summarises information about stock option plans:

Exercise Price (₹)	Year ended As at 31 March 2019		Year ended As at 31 March 2018	
	Numbers	Weighted average remaining life (Months)	Numbers	Weighted average remaining life (Months)
12.50	9,865,000	36	-	-
12.50	40,560,000	24	-	-

Notes:

During the year, the Company has provided loan to the Employee welfare trust for purchase of shares issued by the Company. These shares will be vested to the employee and will be settled through issue of own equity instrument. The fair values disclosed above is determined using the black scholes method.

The charge for the period as an employee benefit expense amounted to ₹74,902,039/-.

43. Segment information (IND AS 108)

Operating segment

The Company operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

44. Related party disclosures

Compensation of key management personnel of the Company

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

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Short-Term Employee Benefits	24,551,893	72,933,030
ESOP Expenses	43,861,887	-
Gratuity	721,154	240,385
Total	**69,134,934**	**73,173,415**

Transactions with key management personnel of the Company

Key management personnel of the Company for the year ended 31 March 2019:

Sr. No.	Name of Key Management Personnel	Designation	Date of Appointment
1	Aseem Dhru	Chief Executive Officer & Managing Director	w.e.f. 28.09.17
2	Rajeev Gupta	Director	w.e.f. 09.05.17
3	Amol Krishna Jain	Director	w.e.f. 09.05.17
4	Sridhar Srinivasan	Independent Director	w.e.f. 28.09.17
5	Neeraj Swaroop	Independent Director	w.e.f. 21.11.17

Key management personnel of the Company for the year ended 31 March 2018:

Sr. No.	Name of Key Management Personnel	Designation	Date of Appointment
1	Aseem Dhru	Chief Executive Officer & Managing Director	w.e.f. 28.09.17
2	Rajeev Gupta	Director	w.e.f. 09.05.17
3	Sridhar Srinivasan	Independent Director	w.e.f. 28.09.17
4	Neeraj Swaroop	Independent Director	w.e.f. 21.11.17
5	Amol Krishna Jain	Director	w.e.f. 09.05.17
6	M Ramprasad	Director	up to 18.05.17
7	Jacob Mathew	Director	up to 18.05.17

Key management personnel of the Company for the year ended 1 April 2017:

Sr. No.	Name of Key Management Personnel
1	M. Ramprasad
2	Jacob Mathew

Transactions with related party of the Company

Name of related parties and related party relationship:

a) Related parties where control exists:

1.	Holding Company	Lyra Partners Ltd. (from 17 May 2017)
		MAPE Advisory Group Pvt. Ltd. (upto 16 May 2017)
	Ultimate Beneficiary Owner	Jeffery David Ekberg (from 17 May 2017)
2.	Fellow Subsidiary Company	MAPE Securities Private Limited (upto 16 May 2017)
3.	Key Managerial Personnel	Aseem Dhru
		Rajeev Gupta
		Amol Krishna Jain
		Sridhar Srinivasan
		Neeraj Swaroop
4.	Entities in which KMP Exercise Significant Influence	Arpwood Partners Investment Advisors LLP
		Arpwood Consultants LLP

(Amount in ₹)

Statement of Profit & Loss Item:	**For the year ended 31 March 2019**	For the year ended 31 March 2018
Compensation to KMPs	25,273,047	73,173,415
Director Sitting Fees	3,500,000	400,000
ESOP Expense	43,861,887	-
Total	**72,634,934**	**73,573,415**

(Amount in ₹)

Balance Sheet Item (Closing Balance):	**As at 31 March 2019**	As at 31 March 2018	As at 1 April 2017
Amount Payable- MAPE Securities Private Limited	-	-	51,419,568
Amount Receivable- MAPE Advisory Group Private Limited	-	-	6,406,374
Total	**-**	**-**	**57,825,942**

a) Related party transactions

(Amount in ₹)

Particulars	Holding Company			Fellow Subsidiary			Key Management Personnel			Entities in which Key management personnel exercise significant influence		
	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 1 April 2017	**For the year ended 31 March 2019**	For the year ended 31 March 2018	For the year ended 1 April 2017	**For the year ended 31 March 2019**	For the year ended 31 March 2018	For the year ended 1 April 2017	**For the year ended 31 March 2019**	For the year ended 31 March 2018	For the year ended 1 April 2017
INCOME												
Interest Income – MAPE Advisory Group Private Limited	-	-	6,406,374	-	-	-	-	-	-	-	-	-
EXPENSES												
Interest Expense – MAPE Securities Private Limited	-	-	-	-	1,449,502	10,705,675	-	-	-	-	-	-
Interest Expense – Arpwood Partners Investment Advisors LLP	-	-	-	-	-	-	-	-	-	-	34,520	-
Sitting Fees	-	-	-	-	-	-	3,500,000	400,000	-	-	-	-
Remuneration	-	-	-	-	-	-	25,273,047	73,173,415	-	-	-	-
ESOP Expense	-	-	-	-	-	-	43,861,887	-	-	-	-	-
	-	**-**	**6,406,374**	-	**1,449,502**	**10,705,675**	**72,634,934**	**73,573,415**	**-**	-	**34,520**	**-**

b) Related party balances

(Amount in ₹)

Particulars	Holding Company			Fellow Subsidiary			Key Management Personnel			Entities in which Key management personnel exercise significant influence		
	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 1 April 2017	**For the year ended 31 March 2019**	For the year ended 31 March 2018	For the year ended 1 April 2017	**For the year ended 31 March 2019**	For the year ended 31 March 2018	For the year ended 1 April 2017	**For the year ended 31 March 2019**	For the year ended 31 March 2018	For the year ended 1 April 2017
ASSETS												
Loans given – MAPE Advisory Group Private Limited	-	-	133,635,000	-	-	-	-	-	-	-	-	-
Repayment of Loans given-MAPE Advisory Group Private Limited	-	-	186,600,779	-	-	-	-	-	-	-	-	-
LIABILITIES												
Loans Taken- Arpwood Partners Investors LLP	-	-	-	-	-	-	-	-	-	-	20,000,000	-
Loans Taken- MAPE Securities Private Limited	-	-	-	-	-	116,466,243	-	-	-	-	-	-
Repayment of Loans Taken- Arpwood Partners Investors LLP	-	-	-	-	-	-	-	-	-	-	20,000,000	-
Repayment of Loans Taken- MAPE Securities Private Limited	-	-	-	-	750,000	173,428,243	-	-	-	-	-	-
EQUITY SHARES- Lyra Partners	-	5,580,525,000	-	-	-	-	-	-	-			
EQUITY SHARES- Arpwood Partners Investment Advisors LLP	-	-	-	-	-	-	-	-	-	-	1,158,975,000	-
Share Warrants- Arpwood Partners Investment Advisors LLP	-	-	-	-	-	-	-	-	-	-	20,000	-
Grand Total	**-**	**5,580,525,000**	**320,235,779**	**-**	**750,000**	**289,894,486**	**-**	**-**	**-**	**-**	**1,198,995,000**	**-**

45. Leases

Operating leases:

The Company has taken office premises under operating lease. The lease arrangement is normally renewable on expiry of the lease period at the option of the lessor/lessee ranging from 3 to 5 years. Some of the lease agreements are having lock in period of eleven months to forty eight months which are non-cancellable during that period. After the expiry of the lock in period, the lease agreement becomes cancellable in nature at the option of the lessor or the lessee by giving 1-3 months notice to the either party. There are no restrictions imposed by the lease agreement. There is no contingent rent in the lease agreement. There is escalation Clause in some lease agreements. The future minimum lease payments in respect of the non-cancellable lease are as follows:

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
a) Payable not later than one year	34,639,206	702,402	-
b) Payable later than one year and not later than five years	92,814,390	878,441	-
c) Payable later than five years	-	-	-

The lease payments recognised in the Statement of Profit & Loss for the year are ₹69,645,763/- (31 March 2018: ₹34,701,474/-).

46. In accordance with IND AS – 33 Earnings per Share, the computation of earnings per share is set out below:

Particulars			For the year ended 31 March 2019	For the year ended 31 March 2018
Net Profit After Tax as per Statement of Profit and Loss	(A)	₹	244,352,859	31,335,920
Weighted average number of Equity Shares for calculating Basic EPS	(B)	Nos.	676,000,000	343,641,096
Weighted average number of Equity Shares for calculating Diluted EPS	(C)	Nos.	678,309,542	424,295,602
Basic Earnings per Equity Share (in ₹) (Face value of ₹10/- per share)	(A)/(B)	₹	0.36	0.09
Diluted Earnings per Equity Share (in ₹) (Face value of ₹10/- per share)	(A)/(C)	₹	0.36	0.07

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Weighted Average number of Equity Shares for calculating EPS	Nos.	676,000,000	343,641,096
Add: Equity Shares for no consideration arising on grant of stock options under ESOP	Nos.	2,309,542	-
Add: Equity Shares for shares against share warrants	Nos.	-	80,654,506
Weighted average number of Equity Shares in calculation of Diluted EPS	Nos.	678,309,542	424,295,602

47. The Company believes that no impairment of assets arises during the year as per the recommendations of IND AS 36 "Impairment of Assets".

48. Contingent Liabilities

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Claims against the Company not acknowledged as Debts.	30,000	-

49. Capital and other commitment

a) Estimated amount of contracts remaining to be executed on capital account and not provided for Nil (31 March 2018 Nil)

b) Other Commitments:- Nil (31 March 2018 Nil)

50. Based on the intimation received by the Company, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to amounts unpaid as at the year end together with interest paid /payable are required to be furnished.

51.1 Risk disclosures

Company's risk is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and interest rate risk. It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture.

51.2 Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties.

51.2.1 Impairment assessment

51.2.1.1 Exposure at default

EAD is taken as the gross exposure under a facility upon default of an obligor. The amortised principal and the interest accrued is considered as EAD for the purpose of ECL computation.

The advances have been bifurcated into following three stages:

Stage 1 – Advances with low credit risk and where there is no significant increase in credit risk. Hence, the advances up to 0-29 days are classified as Stage1

Stage 2 – Advances with significant increase in credit risk. Hence the advances up to 30 to 89 days are classified as Stage 2

Stage 3 – Advances that have defaulted/Credit impaired advances. Hence the advances with 90 days past due are classified as Stage 3

51.2.1.2 Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significant increase in credit risk if contractual payments are more than 30 days past due.

51.2.1.3 Definition of default and cure

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

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness 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. Such events include:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the borrower makes necessary payments & the borrower is not 90 days past due over such payments. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

51.2.1.4 PD estimation process

The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. Probability of Default computation:

a) The Company has applied 12 months PD to Stage 1 Advances.

b) The Lifetime PD is computed using basic exponentiation technique after considering the residual maturity of the respective loan.

c) PD of 100% is considered for Stage 3 assets.

51.2.1.3 Loss given default

The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that would be expected to receive, including from realisation of any prime/collateral security. For LGD computation, the rates used from the foundation internal rating based approach and dynamic loan loss provisioning model is also taken into account.

51.2.2 Analysis of risk concentration – Refer Note 55.10.6

51.2.3 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Company has Guidelines in place covering the acceptability and valuation of each type of collateral. The Company also adheres to the RBI guidelines in respect of maintenance of adequate Loan to Value Ratios.

The main types of collateral for loans are Registered/equitable mortgage of property, Hypothecation of assets including Gold.

Management monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement.

In case of defaults by customers, where the Company is unable to recover the dues, the Company through a legal process enforces the security and recover the dues.

51.3 Liquidity risk and funding management

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis.

Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Analysis of financial assets and liabilities by remaining contractual maturities is provided in Note no. 36

51.4 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The core business of the Company is providing loan against property, loan against gold and personal loans. The Company borrows through various financial instruments to finance its core lending activity. These activities expose the Company to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored on a quarterly basis.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being considered as constant) of the Company's statement of profit and loss and equity.

Currency of borrowing	Increase/(decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity	
	2018-19	2018-19		2018-19	
Borrowings (₹)	25 Basis point Up	Impact on Profit Before Tax	(2,204,127)	Impact on equity	(1,729,164)
	50 Basis point Up		(4,408,255)		(3,458,329)
	25 Basis point Down		2,204,127		1,729,164
	50 Basis point Down		4,408,255		3,458,329
Loans (₹)	25 Basis point Up	Impact on Profit Before Tax	28,815,508	Impact on equity	22,606,112
	50 Basis point Up		57,631,017		45,212,224
	25 Basis point Down		(28,815,508)		(22,606,112)
	50 Basis point Down		(57,631,017)		(45,212,224)
	2017-18	2017-18		2017-18	
Borrowings (₹)	25 Basis point Up	Impact on Profit Before Tax	(630,137)	Impact on equity	(630,137)
	50 Basis point Up		(1,260,274)		(1,260,274)
	25 Basis point Down		630,137		630,137
	50 Basis point Down		1,260,274		1,260,274
Loans (₹)	25 Basis point Up	Impact on Profit Before Tax	19,449,783	Impact on equity	19,449,783
	50 Basis point Up		38,899,566		38,899,566
	25 Basis point Down		(19,449,783)		(19,449,783)
	50 Basis point Down		(38,899,566)		(38,899,566)

52. Transferred financial assets that are not derecognised in their entirety

During the year, the Company has entered into a securitisation arrangement to transfer the part of its portfolio of MSME and Gold Loans. The terms of the arrangement include over collateralisation of the assets of the Company through lien on Fixed deposits. Since the Company has retained significant risk in the transfer of the portfolio, the asset is retained in the books. Consequently, the amount received as sale consideration is shown as Collateralised borrowings in the financial statements. The carrying amount of the aforesaid transferred asset is ₹1,755,163,413/-.

53. Schedule to the Balance Sheet under Annex I of Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(Amount in ₹)

Particulars		As on 31 March 2019
Liabilities Side	Amount O/S	Amount overdue
1. Loans and Advances availed by the Non-Banking Financial company inclusive of interest accrued thereon but not paid:		
a) Debentures:		
Secured	3,973,665,239	-
Unsecured	-	-
(other than falling within the meaning of public deposits)		
b) Deferred Credits	-	-
c) Term Loans	4,443,408,325	-
d) Inter Corporate Loans and Borrowings	-	-
e) Commercial Paper	-	-
f) Other Loans (Cash Credit & Overdraft Facility)	-	-
Total	**8,417,073,564**	**-**
Assets side		
		Amount Outstanding
2. Breakup of Loans and Advances including bills receivables (other than those included in (4) below):		
a) Secured		11,192,902,854
b) Unsecured		431,026,132
3. Breakup of leased assets and stock on hire and other assets counting towards AFC activities		
i) Lease assets including lease rentals under sundry debtors:		
a) Financial Lease		-
b) Operating Lease		-
ii) Stock on hire including hire charges under sundry debtors:		
a) Assets on Hire		-
b) Repossed Assets		-
iii) Other Loans counting towards AFC activities		
a) Loans where assets have been repossessed		-
b) Loans other than (a) above		-
4. Breakup of Investments:		
Current Investments:		
1. Quoted:		
i) Shares: (a) Equity		-
(b) Preference		-
ii) Debentures and Bonds		-
iii) Units of Mutual Funds		1,667,635,185
iv) Government Securities		-
v) Others (please specify)		-
- Certificate of Deposits		-
2. Unquoted:		
i) Shares: (a) Equity		-
(b) Preference		-
ii) Debentures and Bonds		-
iii) Units of Mutual Funds		-
iv) Government Securities		-
v) Others (please specify)		-

(Amount in ₹)

Particulars	As on 31 March 2019
Long-Term Investments:	
1. Quoted:	
i) Shares: (a) Equity	-
(b) Preference	-
ii) Debentures and Bonds	-
iii) Units of Mutual Funds	-
iv) Government Securities	-
v) Others (please specify)	-
2. Unquoted:	
i) Shares: (a) Equity	-
(b) Preference	-
ii) Debentures and Bonds	-
iii) Units of Mutual Funds	-
iv) Government Securities	-
v) Others	-

5. Borrower group-wise classification of Assets Financed as in (2) and (3) above:

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related parties			
a) Subsidiaries		-	-
b) Companies in the same Group	-	-	-
c) Other related Parties	-	-	-
2. Other than related Parties	11,115,920,142	420,360,669	11,536,280,811
Total	**11,115,920,142**	**420,360,668.58**	**11,536,280,810.58**

6. Investor groupwise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted):

Category	Market value/Break up or fair value or NAV	Book value (Net of provisions)
1. Related Parties		
a) Subsidiaries	-	-
b) Companies in the same Group	-	-
c) Other related Parties	-	-
2. Other than related Parties	1,667,635,185	1,666,000,040
Total	**1,667,635,185**	**1,666,000,040**

7 Other Information

Particulars	Amount
i) Gross Non-Performing Assets	
a) Related Parties	-
b) Other than related Parties	50,202,798
ii) Net Non-Performing Assets	
a) Related Parties	-
b) Other than related Parties	45,182,517
iii) Assets Acquired in Satisfaction of Debt	-

Note: Figures in Note No. 53.6 and 53.7 are provided as per RBI Regulations considering these are specifically defined under the RBI prudential norms.

54. Disclosure of Restructured Accounts as per Appendix 4 of Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 – Not Applicable

Note 1:- The figures for 31 March 2018 are as per RBI Regulations which have been taken from the financial statements of previous year.

Note 2:- Figures in Note No. 55.2 to 55.10 are provided as per RBI regulations considering these are specifically defined under the RBI Prudential norms.

55. Disclosure as required in terms of Annexure XII of Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

55.1 Disclosure on CRAR

Particulars		As at 31 March 2019	As at 31 March 2018
(i)	CRAR (%)	44.81%	55.95%
(ii)	CRAR – Tier I Capital (%)	44.26%	55.46%
(iii)	CRAR - Tier II Capital (%)	0.55%	0.49%
(iv)	Amount of subordinated debt raised as Tier II Capital	-	52,057,695
(v)	Amount raised by issue of Perpetual Debt Instruments	-	

Note: CRAR for the year ended 31 March 2019 is based on Ind AS.

55.2 Investments

Particulars		As at 31 March 2019	As at 31 March 2018
Value of Investments			
(i)	Gross Value of Investments		
	(a) In India	1,666,000,000	2,570,000,000
	(b) Outside India	-	-
(ii)	Provisions for Depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
(iii)	Net Value of Investments		
	(a) In India	1,666,000,000	2,570,000,000
	(b) Outside India	-	-
Movement of provisions held towards depreciation on Investments			
(i)	Opening Balance	-	-
(ii)	Ad: Provisions made during the year	-	-
(iii)	Less: Write-off/write-back of excess provisions during the year	-	-
(v)	Closing Balance	-	-

55.3 Derivatives

55.3.1 Forward Rate Agreement/Interest Rate Swap

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

55.3.2 Exchange Traded Interest Rate (IR) Derivatives

Particulars		As at 31 March 2019	As at 31 March 2018
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31 March 2019 (instrument-wise)	-	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "Highly Effective" (instrument-wise)	-	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "Highly Effective" (instrument-wise)		

55.3.3 Disclosures on Risk Exposure in Derivatives

Qualitative Disclosures

Not applicable as there are no derivatives

Quantitative Disclosures	**As at 31 March 2019**		As at 31 March 2018	
	Currency derivatives	**Interest rate derivatives**	Currency derivatives	Interest rate derivatives
(i) Derivatives (Notional Principal Amount)				
For Hedging	-	-	-	-
(ii) Marked to Market Positions				
a) Asset (+)	-	-	-	-
b) Liability (-)	-	-	-	-
(iii) Credit Exposure	-	-	-	-
(iv) Unhedged Exposures	-	-	-	-

55.4.1 Disclosures relating to Securitisation

Particulars	**As at 31 March 2019**	As at 31 March 2018
1. No of SPVs sponsored by the NBFC for securitisation transactions	2	-
2. Total amount of securitised assets as per books of the SPVs sponsored	1,579,647,072	-
3. Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
(a) Off-balance sheet exposures	-	-
First Loss	-	-
Others	-	-
(b) On-balance sheet exposures		
First Loss	155,200,000	-
Others	165,510,000	-
4. Amount of exposures to securitisation transactions other than MRR		
(a) Off-balance Sheet Exposures	-	-
i) Exposure to own securitisations	-	-
First Loss	-	-
Others	-	-
ii) Exposure to Third Party Securitisations		
First Loss	-	-
Others	-	-
(b) On-balance Sheet Exposures		
i) Exposure to own securitisations	-	-
First Loss	-	-
Others	-	-
ii) Exposure to third party securitisations		
First Loss	-	-
Others	-	-

55.4.2 Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

	As at 31 March 2019	As at 31 March 2018
No. of Accounts	-	-
Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
Aggregate consideration	-	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	-

55.4.3 Details of Assignment transactions undertaken by NBFCs

	As at 31 March 2019	As at 31 March 2018
No. of Accounts	-	-
Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
Aggregate consideration	-	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	-

55.4.4 Details of non-performing financial assets purchased/sold *

		As at 31 March 2019	As at 31 March 2018
(A)	Details of non-performing financial assets purchased:		
	No. of accounts purchased during the year	-	-
	Aggregate outstanding	-	-
	Of these, number of accounts restructured during the year	-	-
	Aggregate outstanding	-	-
	* Excludes assets acquired under business transfer agreement under slump sale (refer note 2.31)		
(B)	Details of non-performing financial assets sold:		
	No. of accounts sold during the year	342	-
	Aggregate outstanding	483,156,599	-
	Aggregate consideration received	483,156,599	-

55.5 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31 March 2019

	1 day to 30/31 days (one month)	Over one month and up to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Advances	414,275,252	168,569,011	186,450,353	513,357,947	2,100,440,424	1,353,063,519	1,400,777,748	5,539,826,558	11,676,760,812
Investments	1,666,000,000	-	-	-	-	-	-	-	1,666,000,000
Borrowings	64,466,959	44,629,296	223,247,461	621,513,578	750,804,604	5,800,034,104	387,684,677	762,413,790	8,654,794,469

Asset Liability Management Maturity pattern of certain items of Assets and Liabilities as on 31 March 2018

	1 day to 30/31 days (one month)	Over one month and up to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Advances	373,229,181	102,623,040	101,627,492	341,770,778	1,478,764,793	1,140,351,158	1,235,186,523	3,122,813,985	7,896,366,952
Investments	2,570,000,000	-	-	-	-	-	-	-	2,570,000,000
Borrowings	3,694,514	-	-	190,575,340	62,500,000	4,250,000,000	187,499,140	-	4,694,268,994

Note:-

Income/expenses accrued but not due on above assets and liabilities are included.

Borrowing include interest accrued and due and interest accrued but not due.

Maturity pattern of assets and liability has been compiled by management on contractual payment basis and relied upon by the auditors.

55.6.1 Exposures

		As at 31 March 2019	As at 31 March 2018
Exposure to Real Estate Sector			
Direct Exposure			
(i)	Residential Mortgages		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii)	Commercial Real Estate		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	-	-
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
	Residential	-	-
	Commercial Real Estate	-	-
	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-

55.6.2 Exposures to Capital Market

Particulars		As at 31 March 2019	As at 31 March 2018
(i)	Direct investment in Equity Shares, Convertible Bonds, Convertible Debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;		
(ii)	Advances against shares/ bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;		
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;		
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds 'does not fully cover the advances;		
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;		
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered) Total Exposure to Capital Market	-	-

55.6.3 Details of financing of parent company products
The Company does not finance parent company products.

55.6.4 Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by the NBFC
The Company has not exceeded Single Borrower Limit (SGL)/Group Borrower Limit (GBL) during the year.

55.6.5 Unsecured advances
The Company has financed Unsecured Personal Loans amounting to ₹422,428,516/- as on 31 March 2019 (₹3,935,195/- as on 31 March 2018).

55.7 Registration obtained from other financial sector regulators

The Company has not engaged into any business activity which are governed by other financial sector regulator. Hence, no registration was obtained.

55.8 Disclosure of penalties imposed by RBI and other regulators

There is no instance of penalty or stricture imposed on the Company by RBI or any other regulatory on matter during the current or previous year.

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

(i) Name of the Rating Agency – ICRA Limited

(ii) Rating Assigned – [ICRA] A

Date of rating	Products	Rating Assigned
11-09-17	Secured Redeemable Non-Convertible Debentures	[ICRA] A (stable)
18-10-17	Bank Loan Rating	[ICRA] A (stable)

There was no migration of rating during the year.

55.10 Additional disclosures

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

There are no prior period transactions included in the current year's statement of profit and loss and also there is no change in accounting policy during the current year.

55.10.2 Revenue Recognition (Refer Note 2(j))

There is no transaction in which the Revenue recognition has been postponed or pending the resolution of significant uncertainty.

55.10.3 Accounting Standard 21 – Consolidated Financial Statements (CFS)

The Company does not have any subsidary.

55.10.4 Provisions and Contingencies

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

		As at 31 March 2019	As at 31 March 2018
(a)	Provisions for depreciation on Investment	-	-
(b)	Provision towards NPA	(13,878,179)	11,618,888
(c)	Provision made towards Income Tax		-
(d)	Other Provisions and Contingencies	-	-
(e)	Provision for Gratuity	4,032,690	(648,287)
(f)	Provision for Leave Encashment	-	1,102,874
(g)	Provision for Depreciation	1,757,244,244	878,604,151
(h)	Contingent Provision for Standard Assets	25,799,352	19,595,712

55.10.5 Draw Down from Reserves

The Company has not drawn down any reserves during the current year/previous year.

55.10.6 Concentration of Deposits, Advances, Exposures and NPAs

(a) Concentration of deposits (for deposit taking NBFCs)

Particulars	As at 31 March 2019	As at 31 March 2018
Total Deposits of Twenty Largest Depositors	-	-
Percentage of Deposits of Twenty Largest Depositors to Total Deposits of the NBFC	-	-
The Company is not a deposit taking NBFC and has not obtained any deposits from public		

(b) Concentration of advances

Particulars	As at 31 March 2019	As at 31 March 2018
Total Advances to Twenty Largest Borrowers	424,201,497	446,177,566
Percentage of Advances to Twenty Largest Borrowers to Total Advances of the NBFC	3.63%	5.73%

(c) Concentration of exposures

Particulars	As at 31 March 2019	As at 31 March 2018
Total Exposure to Twenty Largest Borrowers/Customers	424,201,497	446,177,566
Percentage of Exposures to Twenty Largest Borrowers/Customers to Total Exposure of the NBFC on borrowers/Customers	3.63%	5.73%

(d) Concentration of NPAs

Particulars	As at 31 March 2019	As at 31 March 2018
Total Exposure to top four NPA accounts	25,752,524	18,179,706

(e) Sector-wise NPAs

	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
Sector	31-Mar-19	31-Mar-18
1. Agriculture & Allied Activities	0.00%	0.00%
2. MSME	0.49%	0.00%
3. Corporate Borrowers	0.00%	0.00%
4. Services	0.00%	1.01%
5. Unsecured Personal Loans	0.00%	0.00%
6. Auto Loans	0.26%	0.03%
7. Other Loans	0.34%	0.38%

(f) Disclosure for restructured advances
There are no restructured advances as on 31 March 2019 and 31 March 2018.

(g) Movement of NPAs

Particulars	As at 31 March 2019	As at 31 March 2018
Net NPAs to Net Advances (%)	0.39%	1.16%
Movement of NPAs (Gross)		
(a) Opening Balance	110,436,532	-
(b) Additions during the year	687,693,051	125,172,986
(c) Reductions during the year	747,926,786	14,736,454
(d) Closing Balance	50,202,798	110,436,532
Movement of Net NPAs		
(a) Opening Balance	91,538,073	-
(b) Additions during the year	682,672,771	109,081,485
(c) Reductions during the year	729,028,327	17,543,412
(d) Closing Balance	45,182,517	91,538,073
Movement of provisions for NPAs (excluding provisions on Standard Assets)		
(a) Opening Balance	18,898,459	-
(b) Provisions made during the year Previous year: includes ₹7,279,571 on account of business transfer agreement)	5,020,280	33,047,847
(c) Write-off/write-back of excess provisions	18,898,459	14,149,388
(d) Closing Balance	5,020,280	18,898,459

55.10.7 Overseas assets

The Company does not have any overseas assets.

55.10.8 Off Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have SPVs sponsored (which are required to be consolidated as per accounting norms).

55.10.9 Customer complaints

Particulars		As at 31 March 2019	As at 31 March 2018
(a)	No. of complaints pending at the beginning of the year	7	-
(b)	No. of complaints received during the year	70	26
(c)	No. of complaints redressed during the year	77	19
(d)	No. of complaints pending at the end of the year	-	7

55.10.10 Disclosure of frauds reported during the year vide DNBS.PD.CC NO.256/03.10.042/2011-12 dated 2 March 2012

	1 April 2018 to 31 March 2019	1 April 2017 to 31 March 2018
Particulars		
a) Persons Involved		
Employee	-	8,088,378
Total	**-**	**8,088,378**
b) Type of Fraud		
Misappropriation and Criminal Breach of Trust	-	-
Fraudulent Encashment/Manipulation of books of Account	-	-
Cheating and Forgery	**-**	**8,088,378**

56:

a) Figures are rounded-off to nearest rupee.

b) Previous year's figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

Small Business FinCredit India Pvt. Ltd.
(Erstwhile Mape Finserve Pvt. Ltd.)
CIN: U67190MH2008PTC178270

G. K. Subramaniam
Partner
Membership No. 109839

Mr. Aseem Dhru
CEO & Managing Director
DIN: 01761455

Mr. John Mescall
Nominee Director
DIN: 08385575

Mr. Narayan Barasia
Chief Financial Officer

Ms. Swati Morajkar
Company Secretary

Place: Mumbai
Date: 7 June 2019

CORPORATE INFORMATION

Board of Directors#

Sr. No.	Name of Director	DIN	Designation
1	**Aseem Dhru**	01761455	Managing Director & Chief Executive Officer
2	**Neeraj Swaroop**	00061170	Independent Director
3	**Sridhar Srinivasan**	07240718	Independent Director
4	**Rajeev Gupta**	00241501	Director
5	**Amol Jain**	00334710	Director

#as on 31st March 2019

Statutory Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration No.117366W/W-100018)

Bankers

- Federal Bank Limited
- ICICI Bank Limited
- Kotak Mahindra Bank Limited
- State Bank of India

Registered and Corporate Office

Small Business FinCredit India Private Limited
Unit No. 103, 1st Floor,
C & B Square, Sangam Complex,
CTS No. 95A, 127, Andheri Kurla Road,
Village Chakala, Andheri East,
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