

INDEPENDENT AUDITOR'S REPORT

To the Members of Save Microfinance Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Save Microfinance Private Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and notes to the financial statements, including 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, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 36 to the accompanying financial statements, which describes the economic and social disruption as a result of the COVID-19 pandemic of the Company’s business and financial metrics, including the Company’s estimates towards provisions of loan to customers and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Other Information

The Company’s Board of Directors is responsible for the other information. The other information comprises the Director’s Report but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially

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

Responsibility of Management 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The provisions of section 197 read with Schedule V to the Act are not applicable to the Company for the year ended March 31, 2020;

S.R. BATLIBOI & Co. LLP

Chartered Accountants

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

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Bhaswar Sarkar Digitally signed by Bhaswar Sarkar
Date: 2020.08.25 17:33:30 +05'30'

per Bhaswar Sarkar

Partner

Membership Number: 055596

UDIN: 20055596AAAAD1056

Place of Signature: Kolkata

Date: August 25, 2020

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SAVE MICROFINANCE PRIVATE LIMITED AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the Company. Accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company and hence not commented upon.
- (ii) The Company’s business does not involve inventories. Accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company and hence not commented upon.
- (vii) (a) Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. During the year, sales tax, duty of excise, value added tax and duty of Custom are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, goods and service tax, cess and

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

(c) According to the information and explanation given to us there are no dues of any Income Tax and Goods and Services Tax which have not been deposited on account of any dispute.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution. During the year, the Company did not have any loan or borrowing due to the Bank or government or debenture holders.
- (ix) According to the information and explanations given by the management, money raised by the Company by way of term loans were applied, on an overall basis, for the purpose for which they were raised. The Company has not raised any money way of initial public offer / further public offer / debt instruments.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by its employees or officers has been noticed or reported during the year
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V to the Act, are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given by the management and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting requirements under clause 3(xiv) are not applicable and hence not commented upon.
- (xv) According to information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

S.R. BATLIBOI & CO. LLP

Chartered Accountants

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Bhaswar Sarkar Digitally signed by Bhaswar
Sarkar
Date: 2020.08.25 17:34:15 +05'30'

per Bhaswar Sarkar

Partner

Membership Number: 055596

UDIN: 20055596AAAADE1056

Place of Signature: Kolkata

Date: August 25, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SAVE MICROFINANCE PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of Save Microfinance Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Bhaswar Sarkar Digitally signed by Bhaswar Sarkar
Date: 2020.08.25 17:34:47 +05'30'

per Bhaswar Sarkar

Partner

Membership Number: 055596

UDIN: 20055596AAAAD1056

Place of Signature: Kolkata

Date: August 25, 2020

SAVE MICROFINANCE PRIVATE LIMITED
Balance Sheet as at March 31, 2020

	Notes	As at March 31, 2020	As at March 31, 2019
		(Rs.)	(Rs.)
I. Equity and liabilities			
Shareholders' funds			
Share capital	3	15,00,00,000	15,00,00,000
Reserves and surplus	4	55,32,489	29,26,453
		15,55,32,489	15,29,26,453
Non-Current liabilities			
Long-term borrowings	5	49,20,05,985	25,28,15,411
Long-term provisions	6	1,22,15,081	5,57,926
		50,42,21,066	25,33,73,337
Current liabilities			
Trade payables	7	-	-
- Total outstanding dues of micro enterprise and small enterprises and;			
- Total outstanding dues of creditors other than micro enterprise and small enterprises		10,02,403	5,18,200
Other current liabilities	8	26,75,18,465	3,08,64,744
Short-term provisions	6	1,35,11,415	24,51,517
		28,20,32,283	3,38,34,461
Total		94,17,85,838	44,01,34,251
II. Assets			
Non-Current assets			
Property, Plant and Equipments	9.A.	81,45,575	30,14,804
Tangible assets			
Intangible assets	9.B.	2,60,043	6,13,705
Deferred tax assets (net)	10	47,75,360	5,71,536
Long term loans and advances	11	22,96,28,591	5,27,02,739
Other non-current assets	12	92,35,000	-
		25,20,44,569	5,69,02,784
Current assets			
Cash and cash equivalents	13	13,09,89,503	19,75,12,929
Short term loans and advances	11	53,98,39,572	17,88,67,674
Other current assets	12	1,89,12,194	68,50,864
		68,97,41,269	38,32,31,467
Total		94,17,85,838	44,01,34,251

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements
As per our report of even date

For S.R.Batlilobi & Co. LLP

ICAI Firm Registration No.301003E/E300005

Chartered Accountants

Digitally signed by
Bhaswar Sarkar
Date: 2020.08.25
17:35:15 +05'30'

per Bhaswar Sarkar
Partner
Membership No.: 055596

Date: August 25, 2020
Place : Kolkata

Digitally signed by
AJEET KUMAR SINGH
DN: cn=AJEET KUMAR SINGH, o=SAVE MICROFINANCE PRIVATE LIMITED, ou=Director, email=ajeet@savemicrofinance.com, c=IN

Ajeet Kumar Singh
Director

Digitally signed by
AKHILESH KUMAR SINGH
Date: 2020.08.25 14:09:05
+05'30'

Akhilesh Kumar Singh
Company Secretary

**For and on behalf of the Board of Directors of
SAVE MICROFINANCE PRIVATE LIMITED**

Digitally signed by
Pankaj Kumar SINGH
DN: cn=PANKAJ KUMAR SINGH, o=SAVE MICROFINANCE PRIVATE LIMITED, ou=Director, email=pankaj@savemicrofinance.com, c=IN

Pankaj Kumar
Director

Digitally signed by
GOURAV SIROHI
Date: 2020.08.25
13:51:30 +05'30'

Gourav Sirohi
Chief Financial Officer

Digitally signed by
Ajay Kumar Sinha
DN: cn=AJAY KUMAR SINHA, o=SAVE MICROFINANCE PRIVATE LIMITED, ou=Director, email=ajay@savemicrofinance.com, c=IN

Ajay Kumar Sinha
Director

SAVE MICROFINANCE PRIVATE LIMITED
Statement of Profit and Loss for the year ended March 31, 2020

Particulars	Notes	Year Ended March 31,	Year Ended March
		2020	31, 2019
		(Rs.)	(Rs.)
I. Income			
Revenue From Operation	14	14,53,54,338	1,13,50,477
Other income	15	34,63,541	26,70,104
Total income		14,88,17,879	1,40,20,581
II. Expenses			
Employee Benefit Expenses	16	4,04,54,567	59,94,876
Depreciation & Amortisation expense	17	29,64,083	5,99,372
Finance costs	18	6,66,13,742	12,97,875
Other expenses	19	2,00,10,330	34,49,888
Provisions and write offs	20	1,52,93,744	22,93,371
Total expenses		14,53,36,466	1,36,35,382
Profit before Tax (iii) = (i)-(ii)		34,81,413	3,85,199
Tax expense (iv)			
- Current tax		50,79,200	7,35,769
- Deferred tax credit		(42,03,823)	(5,71,536)
Total tax expenses		8,75,377	1,64,233
Profit for the Year (iii)-(iv)		26,06,036	2,20,966
Earning per share (EPS)			
Basic and Diluted (Rs.)	21	0.17	0.03
Nominal value of share		10/-	10/-

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R.Batliloi & Co. LLP

ICAI Firm Registration No.301003E/E300005

Chartered Accountants

Bhaswar Sarkar Digitally signed by Bhaswar Sarkar
Date: 2020.08.25 17:35:48 +05'30'

per Bhaswar Sarkar

Partner

Membership No.: 055596

Date: August 25, 2020

Place : Kolkata

**For and on behalf of the Board of Directors of
SAVE MICROFINANCE PRIVATE LIMITED**

AJEET KUMAR SINGH Digitally signed by AJEET KUMAR SINGH
Date: 2020.08.25 12:27:00 +05'30'

Ajeet Kumar Singh

Director

AKHILESH KUMAR SINGH Digitally signed by AKHILESH KUMAR SINGH
Date: 2020.08.25 14:11:47 +05'30'

Akhilesh Kumar Singh

Company Secretary

Pankaj Kumar Digitally signed by Pankaj Kumar
Date: 2020.08.25 13:53:59 +05'30'

Pankaj Kumar

Director

GOURAV SIROHI Digitally signed by GOURAV SIROHI
Date: 2020.08.25 13:53:59 +05'30'

Gourav Sirohi

Chief Financial Officer

Ajay Kumar Sinha Digitally signed by Ajay Kumar Sinha
Date: 2020.08.25 12:11:47 +05'30'

Ajay Kumar Sinha

Director

SAVE MICROFINANCE PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2020

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	(Rs.)	(Rs.)
A. Cash flow from operating activities :		
Profit before tax	34,81,413	3,85,199
Adjustments for:		
Depreciation	29,64,083	5,99,371
Share Issue Expense	-	1,71,000
Provisions and write-off	1,52,93,744	22,93,371
Net (gain)/ loss on sale of current investments	(5,88,874)	-
Interest Income on Deposits	(24,91,733)	(12,46,907)
Liabilities no longer required	(1,19,346)	-
Operating profit/(loss) before working capital changes	1,85,39,287	22,02,034
Movements in working capital:		
(Increase)/decrease in other current assets	(2,10,44,813)	(81,76,565)
(Increase)/decrease in Loans and Advances	(53,20,31,610)	(22,95,60,701)
Increase/ (decrease) in Provisions	23,44,109	2,04,672
Increase/(decrease) in trade payables	4,84,203	5,18,200
Increase/(decrease) in other current liabilities	5,71,87,981	61,71,651
Cash used in operations	(47,45,20,844)	(22,86,40,710)
Direct taxes paid	(51,50,000)	(5,90,693)
Net cash flow from operating activities (A)	(47,96,70,844)	(22,92,31,403)
B. Cash flow from investing activities :		
Acquisition of Property, Plant and Equipment/Capital Advance	(84,03,644)	(34,60,881)
Acquisition of Intangible Assets	(53,690)	(7,67,000)
Purchase of Investment (Mutual Fund)	(29,00,00,000)	-
Sale of investments (Mutual Fund)	29,05,88,874	-
Interest received on Deposits	22,40,216	21,23,812
Net Cash flow from investing activities (B)	(56,28,244)	(21,04,069)
C. Cash flow from financing activities :		
Proceeds from issuance of share capital	-	9,91,00,000
Proceeds from long-term borrowings from a Holding Company	17,94,50,000	32,51,34,266
Repayment of long-term borrowings of a Holding Company	(1,85,00,000)	(9,91,00,000)
Proceeds from long-term borrowings from NBFCs	33,49,98,230	5,00,00,000
Repayment of long-term borrowings of NBFCs	(7,71,72,569)	-
Share Issue Expense	-	(8,55,000)
Net Cash flow from financing activities (C)	41,87,75,661	37,42,79,266
Net increase in cash and cash equivalents (A+B+C)	(6,65,23,426)	14,29,43,794
Cash and cash equivalents at the beginning of the year	19,75,12,929	5,45,69,135
Cash and cash equivalents at the end of the year	13,09,89,503	19,75,12,929
Components of cash and cash equivalents		
Cash on hand	15,846	21,984
With banks- on current account	7,09,73,657	19,74,90,945
Deposits with original maturity of less than 3 months	6,00,00,000	-
Total cash and cash equivalents (note 13)	13,09,89,503	19,75,12,929
Cash flow from operating activities include interest received of Rs.10,97,82,171 (Previous Year 49,40,209) and interest paid of Rs.4,31,92,362 (Previous Year 1,36,976)		

Summary of significant accounting policies

2

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

As per our report of even date

For S.R.Batlboi & Co. LLP
 ICAI Firm Registration No.301003E/E300005
 Chartered Accountants

Bhaswar Sarkar
 Digitally signed by Bhaswar Sarkar
 Date: 2020.08.25 17:36:22 +05'30'
per Bhaswar Sarkar
 Partner
 Membership No.: 055596

AJEET KUMAR SINGH
 Digitally signed by AJEET KUMAR SINGH
 DNI: cn=IN, ou=Personal, postalCode=422003, st=Bihar, c=IN, email=ajet@rediffmail.com, serial=1455356, cn=AJEET KUMAR SINGH
 Digitally signed by Ajeet Kumar Singh
 Date: 2020.08.25 13:28:49 +05'30'
Ajeet Kumar Singh
 Director

Pankaj Kumar
 Digitally signed by Pankaj Kumar
 DNI: cn=IN, ou=Personal, postalCode=731001, st=West Bengal, c=IN, email=pankajkumar@rediffmail.com, serial=1455356, cn=Pankaj Kumar
 Digitally signed by Pankaj Kumar
 Date: 2020.08.25 13:28:49 +05'30'
Pankaj Kumar
 Director

Ajay Kumar Sinha
 Digitally signed by Ajay Kumar Sinha
 DNI: cn=IN, ou=Personal, postalCode=731001, st=West Bengal, c=IN, email=ajaykumar@rediffmail.com, serial=1455356, cn=Ajay Kumar Sinha
 Digitally signed by Ajay Kumar Sinha
 Date: 2020.08.25 13:31:45 +05'30'
Ajay Kumar Sinha
 Director

AKHILESH KUMAR SINGH
 Digitally signed by AKHILESH KUMAR SINGH
 Date: 2020.08.25 14:13:22 +05'30'
Akhilesh Kumar Singh
 Company Secretary

GOURAV SIROHI
 Digitally signed by GOURAV SIROHI
 Date: 2020.08.25 13:55:27 +05'30'
Gourav Sirohi
 Chief Financial Officer

Date: August 25, 2020
 Place : Kolkata

Save Microfinance Private Limited

Notes to the financial statements as at and for the year ended 31 March 2020

1. Corporate Information

Save Microfinance Private Limited ('the Company') is a private company incorporated in India having its registered office at 239-240, 2nd Floor, DLF Tower, Shivaji Marg, Moti Nagar, New Delhi. The Company was registered as a non-deposit taking Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and has got classified as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with effect from October 5, 2017.

The Company is engaged in providing financial services to women belonging to the rural and sub-urban areas in India.

2. Significant accounting policies

a) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under section 133 of the Companies Act 2013 ("the Act"), read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016, provisions of the RBI applicable as per Master Directions - Non-Banking Financial Company –Non- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Notification No. DNBR. PD. 007/03.10.119/2016-17 dated September 01, 2016, as amended from time to time ('the NBFC Master Directions, 2016') and other applicable clarifications provided by the RBI.

In view of matters mentioned in Note – 36, the company has assessed the impact of the novel coronavirus (COVID-19) pandemic on its liquidity and ability to repay its obligation as and when they become due. With gradual relaxation of lockdown rules, as well as resumption of commercial activities by borrowers in a majority of geographies in which company operates, management is confident that collection will resume. In this regard, the company's all offices are in a state of readiness with optimal workforce to deal with normal business operations, while continuing to comply with regulatory guidelines of businesses, social distancing etc. The company has also commenced field visit meet with customers and expect to resume center meetings post the lockdown period to re-commence collections. In additions, management has considered various stimulus packages announced by the Government of India which directly or indirectly benefit NBFC-MFI. Current status/outcomes of discussion with the, Company's lenders to seek/extend and various other financial support, in determining the company's liquidity position over the period of next 12 months. Based on forgoing and necessary stress tests considering various scenarios, management believe that company will be able to pay its obligations as and when these become due in the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting polices applied by the Company are consistent with those applied in the previous years unless specified otherwise.

b) Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. 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.

Save Microfinance Private Limited

Notes to the financial statements as at and for the year ended 31 March 2020

c) Current – non-current classification

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

Assets

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

- i. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realised within 12 months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

Liabilities

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

- i. it is expected to be settled in the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

Operating cycle

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

d) Revenue recognition

- i. Interest income on loan portfolio is recognised on accrual basis taking into account the amount outstanding and rate applicable except in the case of non-performing assets (NPA's) where it is recognized, upon realization, as per the prudential norms of RBI.
- ii. Loan processing fee received upfront are considered to be accrued at the time of entering into a binding agreement upon its receipt and are recognised as revenue immediately.
- iii. Interest on term deposits has been accrued on the time proportion basis, using the underlying interest rate.
- iv. All other income is recognized on an accrual basis.

e) Classification of loan portfolio and provisioning policy

Loan Portfolio is classified and provision is made in accordance with prudential norms and the Non-Banking Financial Company – Micro Finance Institutions (NBFC-MFIs) Directions issued by Reserve Bank of India as mentioned below:

Save Microfinance Private Limited

Notes to the financial statements as at and for the year ended 31 March 2020

Asset classification norms:

- i. Standard asset means the asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.
- ii. Non-performing asset means an asset for which, interest/principal payment has remained overdue for a period of 90 days or more.

Provisioning norms:

The aggregate loan provision shall not be less than the higher of:

- i. 1% of the outstanding loan portfolio, or
- ii. 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more.
- iii. As per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 in respect of accounts in default but standard, Company has taken a general provision of 5% of the total outstanding of such accounts for the Quarter ended March 31, 2020

f) Fixed assets and depreciation/amortisation

Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of tangible fixed assets comprises the purchase price, taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Tangible fixed assets under construction and tangible fixed assets acquired but not ready for their intended use are disclosed as capital work-in-progress.

The Management has assessed the estimated useful life of the tangible fixed assets as specified in Schedule II to the Companies Act, 2013 as in the opinion of the management the same reflects the estimated useful life. The depreciation is provided under written down value method. Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed.

Losses arising from retirement or gains or losses arising from disposal of fixed assets are recognized in the Statement of Profit and Loss.

Intangible assets

Intangible assets are carried at cost of acquisition less amortization. Intangible assets that are acquired by the Company are measured initially at cost. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortized in the Statement of Profit and Loss over their estimated useful lives from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset. Intangible assets are being amortized over the tenure of the asset.

Save Microfinance Private Limited

Notes to the financial statements as at and for the year ended 31 March 2020

g) Borrowing costs

Borrowing costs consist of interest and other costs that the company incurred in connection with borrowing of funds. Other ancillary borrowing costs incurred in connection with obtaining funding are amortized over the period of loan. In case any loan is prepaid/cancelled then the unamortized portion of such borrowing cost is charged to the Statement of Profit and Loss in the year such loan is prepaid / cancelled.

h) Employee Retirement benefits

Employee benefits includes provident fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans

The Company makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plan

The Company provides for gratuity, a retirement plan covering all eligible employees. In the current year Company recognised provision for Gratuity expenses in Statement of Profit and Loss. The calculation of the Company's obligation under the plan is performed annually by a qualified independent actuary using the projected unit credit method.

Actuarial gains and losses (if any) arising during the year are immediately recognised in the Statement of Profit and Loss in the year which they arise and are not deferred.

Leave Encashment Policy

The company provides Leave encashment to all eligible employees on yearly basis. In the current financial year company paid leave to the employee and the same is recognized in the Statement of Profit & loss account. Leave encashment liability is provided based on actuarial valuation carried out at the end of the financial period using projected unit credit method.

Actuarial gains and losses (if any) arising during the year are immediately recognized in the Statement of Profit and Loss in the year which they arise and are not deferred.

i) Earnings per share ("EPS")

Basic earnings per share is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share (if any), net profit after tax for the year 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 to have been converted as of the beginning of the year, unless they have been issued at a later date.

Save Microfinance Private Limited

Notes to the financial statements as at and for the year ended 31 March 2020

j) Income tax

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carried forward unabsorbed depreciation or tax losses, all deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax assets can be realized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available.

k) Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

l) Leases

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the statement of profit and loss on a straight line basis over the lease period unless another systematic basis is more representative of the time pattern of the benefit.

m) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, investing and financing activities of the Company is segregated.

n) Cash and cash equivalents

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

SAVE MICROFINANCE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended March 31, 2020

3	Share capital	As at	As at
		March 31, 2020	March 31, 2019
		(Rs.)	(Rs.)
Authorized Shares			
150,00,000 (March 31, 2019: 150,00,000) equity shares of Rs.10/- each		15,00,00,000	15,00,00,000
		15,00,00,000	15,00,00,000
Issued, subscribed and fully paid-up shares			
150,00,000 (March 31, 2019: 150,00,000) equity shares of Rs.10/- each		15,00,00,000	15,00,00,000
Total issued, subscribed and fully paid-up share capital		15,00,00,000	15,00,00,000

A Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	As at March 31, 2020		As at March 31, 2019	
	Number	(Rs.)	Number	(Rs.)
Outstanding at the beginning of the year	1,50,00,000	15,00,00,000	50,90,000	5,09,00,000
Issued during the year	-	-	99,10,000	9,91,00,000
Shares outstanding at the end of the year	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000

B Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share.

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

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Rs.10 each fully paid				
Save Solutions Private Limited	1,49,90,000	99.93%	1,49,90,000	99.93%
	1,49,90,000	99.93%	1,49,90,000	99.93%

D Details of shares held by holding company

Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Rs.10 each fully paid				
Save Solutions Private Limited	1,49,90,000	99.93%	1,49,90,000	99.93%
	1,49,90,000	99.93%	1,49,90,000	99.93%

E No shares were allotted as fully paid-up by way of Bonus shares or pursuant to contract without payment being received in cash during last 4 years. Further, none of the shares were bought back by the company during last 4 financial year.

4	Reserves and surplus	As at	As at
		March 31, 2020	March 31, 2019
		(Rs.)	(Rs.)
A. Statutory reserve			
Balance as per last financial statements		5,85,290	5,41,097
Add: Amount transferred from surplus balance in the Statement of Profit & Loss		5,21,207	44,193
Closing Balance (A)		11,06,497	5,85,290
B. Surplus in the Statement of Profit and Loss			
Balance as per last financial statements		23,41,163	21,64,389
Profit for the year		26,06,036	2,20,967
Less: Appropriations			
Transferred to statutory reserve (@ 20% of profit after tax as required by section 45-IC of Reserve Bank of India Act, 1934)		(5,21,207)	(44,193)
Net surplus in the Statement of profit and loss (B)		44,25,992	23,41,163
Total (A+B)		55,32,489	29,26,453

5	Long-term borrowings	Non Current		Current	
		As at	As at	As at	As at
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
Term Loan					
Secured Loan					
-Indian Rupee loan from non banking finance companies		10,50,21,719	2,67,81,145	20,28,03,942	2,32,18,855
Unsecured Loan					
-Indian Rupee loan from holding company		38,69,84,266	22,60,34,266	-	-
Total		49,20,05,985	25,28,15,411	20,28,03,942	2,32,18,855
Amount disclosed under the head "other current liabilities (refer note 8)		-	-	20,28,03,942	2,32,18,855
Total		49,20,05,985	25,28,15,411	-	-

1. Term loan from NBFCs are secured by way of hypothecation of outstanding loan portfolio of equivalent amount, in addition to the fixed deposits being held as collateral security. The Term loan carries interest rate ranges from 14.50% to 16.50%.
2. Unsecured loan from holding company carries interest rate @ 10.50% - 15.50% p.a and is repayable after 5 years from the date of respective disbursements. These loans were disbursed in multiple tranches and the repayment of loans will start from April 2022 onwards. The lender has an option to convert the unpaid loan amount including accrued interest but not paid into equity shares at any point of time until the loan amount was fully repaid.
3. Refer Note 5A and 5B for terms of repayment of term loans.

Notes to the Financial Statements as at and for the year ended March 31, 2020

5A Long-term borrowings (Contd.)

Terms of repayment of Term Loans as on March 31, 2020

Original maturity of loan	Interest Rate	Due within 1 year		Due between 1 and 2 years		Due between 2 and 3 Years		Total	
		No. of Instalments	Amount (in Rupees)	No. of Instalments	Amount (in Rupees)	No. of Instalments	Amount (in Rupees)		
Monthly repayment schedule									
From NBFCs:									
1-3 Yrs.	14.50%- 15.50%	10	2,20,81,748	2	46,99,398	-	-	2,67,81,145	
		10	1,38,88,888	-	-	-	-	1,38,88,888	
		11	92,67,929	7	62,76,452	-	-	1,55,44,381	
	15.50%	12	1,91,77,311	9	1,64,67,506	-	-	3,56,44,817	
		11	30,55,558	3	11,11,108	-	-	41,66,666	
		10	1,73,01,029	3	50,59,040	-	-	2,23,60,069	
	1-3 Yrs.	15.51%- 16.50%	11	1,22,22,221	5	66,66,668	-	-	1,88,88,889
			12	1,68,32,800	12	2,12,46,511	1	19,20,689	4,00,00,000
			10	2,86,97,919	4	1,06,08,150	-	-	3,93,06,070
	1-3 Yrs.	15.51%- 16.50%	10	1,35,16,144	6	89,82,621	-	-	2,24,98,765
			10	1,81,81,923	5	1,17,26,220	-	-	2,99,08,143
			11	1,54,38,566	4	53,94,768	-	-	2,08,33,333
12	1,31,41,907	4	48,62,588	-	-	1,80,04,495			
Bullet repayment schedule									
From Holding:									
1-3 Yrs.	10-50%- 15.50%	-	-	-	-	1	38,69,84,266	38,69,84,266	
Grand Total			20,28,03,942		10,31,01,030		38,89,04,955	69,48,09,927	

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

5B Long-term borrowings (Contd.)

Terms of repayment of Term Loans as on March 31, 2019

Original maturity of loan	Interest Rate	Due within 1 year		Due between 1 and 2 years		Due between 2 and 3 Years		Total
		No. of Instalments	Amount (in Rupees)	No. of Instalments	Amount (in Rupees)	No. of Instalments	Amount (in Rupees)	
Monthly repayment schedule								
From NBFCs:								
1-3 Yrs.	14.50%-15.50%	12	2,32,18,855	12	2,67,81,145	-	-	5,00,00,000
Bullet repayment schedule								
From Holding:								
1-3 Yrs.	10-50%-15.50%	-	-	-	-	1	22,60,34,266	22,60,34,266
Grand Total			2,32,18,855		2,67,81,145		22,60,34,266	27,60,34,266

6	Provisions	Non Current		Current	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
A.	Provision for employee benefits				
	Provision for gratuity (Refer note 24)	6,09,351	38,264	1,140	-
	Provision for Leave Encashment	-	-	8,78,912	2,62,249
	Provision for Bonus	-	-	11,55,219	-
B.	Provision for portfolio loans (Refer note 25 and 26)				
	Provision on standard Assets	14,99,968	5,19,662	59,81,385	17,73,709
	Additional provision on loan portfolio	1,01,05,762	-	-	-
C.	Others				
	Provision for income Tax	-	-	54,94,759	4,15,559
	Total	1,22,15,081	5,57,926	1,35,11,415	24,51,517

7	Trade payables	As at	As at
		March 31, 2020	March 31, 2019
		(Rs.)	(Rs.)
	Trade payables		
	- Total outstanding dues of micro enterprises and small enterprises	-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	10,02,403	5,18,200
	Total	10,02,403	5,18,200

8	Other current liabilities	As at	As at
		March 31, 2020	March 31, 2019
		(Rs.)	(Rs.)
	Current maturities of long-term borrowings (refer note 5)	20,28,03,942	2,32,18,855
	Interest accrued but not due on borrowings	2,15,61,766	11,58,442
	Payable towards Direct Assignment transactions	3,51,67,560	-
	Employee Benefits Payable	5,60,500	2,40,114
	Insurance premium Payable	15,66,351	44,38,400
	Statutory dues payable	58,58,346	6,39,168
	Payable to related parties (Refer Note 23)	-	11,69,765
	Total	26,75,18,465	3,08,64,744

SAVE MICROFINANCE PRIVATE LIMITED
Financial for the period ended 31st March 2020
PROPERTY, PLANT AND EQUIPMENT

9.A. TANGIBLE ASSETS

Particulars	Furniture & Fixtures	Computers	Electric Equipment	Office Equipment	Total
Gross Block					
At 31st March 2018	-	-	-	-	-
Additions	11,26,695	11,15,245	2,84,000	9,34,940	34,60,880
Disposal	-	-	-	-	-
At 31st March 2019	11,26,695	11,15,245	2,84,000	9,34,940	34,60,880
Additions	28,11,292	18,66,720	8,41,800	21,67,692	76,87,504
Disposal	-	-	-	-	-
At 31st March 2020	39,37,987	29,81,965	11,25,800	31,02,632	1,11,48,384
Accumulated Depreciation					
At 31st March 2018	-	-	-	-	-
Charge For the Year	73,071	2,09,746	20,057	1,43,203	4,46,077
Disposal	-	-	-	-	-
At 31st March 2019	73,071	2,09,746	20,057	1,43,203	4,46,077
Charge For the Year	6,51,625	11,02,914	1,81,442	6,20,751	25,56,732
Disposal	-	-	-	-	-
At 31st March 2020	7,24,696	13,12,659	2,01,499	7,63,955	30,02,809
Net Block					
At 31st March 2018	-	-	-	-	-
At 31st March 2019	10,53,624	9,05,499	2,63,943	7,91,737	30,14,803
At 31st March 2020	32,13,291	16,69,306	9,24,301	23,38,677	81,45,575

9.B. INTANGIBLE ASSETS

(Amount in Rs.)

Particulars	Software
Gross block	
At 31st March 2018	-
Additions	7,67,000
At 31st March 2019	7,67,000
Additions	53,690
At 31st March 2020	8,20,690
Accumulated Amortization	
At 31st March 2018	-
Charge for the year	1,53,295
At 31st March 2019	1,53,295
Charge for the year	4,07,352
At 31st March 2020	5,60,647
Net Block	
At 31st March 2018	-
At 31st March 2019	6,13,705
At 31st March 2020	2,60,043

10	Deferred tax assets / (liabilities)	As at	As at
		March 31, 2020	March 31, 2019
		(Rs.)	(Rs.)
Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting		2,57,953	(11,561)
Impact of provision on portfolio		41,42,554	5,73,148
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		3,74,853	9,949
Total		47,75,360	5,71,536

11	Loans and advances (Unsecured, considered good unless stated otherwise)	Non Current		Current	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
A	Portfolio loans				
	Considered good *	22,00,61,567	5,19,66,139	52,80,73,716	17,73,70,962
	Total (A)	22,00,61,567	5,19,66,139	52,80,73,716	17,73,70,962
B	Security deposits				
	Considered good	21,36,640	2,23,600	-	-
	Total (B)	21,36,640	2,23,600	-	-
C	Others				
	Prepaid expenses	3,42,000	5,13,000	2,78,672	8,88,212
	Advance income tax	51,50,000	-	-	-
	TDS Receivables	2,75,531	-	-	-
	Unamortized Expense on the loan taken	16,62,853	-	76,71,587	-
	Advance to staff	-	-	1,51,041	9,000
	Capital Advance	-	-	7,16,140	-
	Other Advance **	-	-	29,48,416	5,99,500
	Total (C)	74,30,384	5,13,000	1,17,65,856	14,96,712
Total		22,96,28,591	5,27,02,739	53,98,39,572	17,88,67,674

*Excluding loan accounts worth of Rs. 762,453 being death cases and the same has been reclassified from Gross Loan Portfolio to Insurances Claim receivables under other current assets.

** Represents advance EMI, advance processing fee etc. paid to the lenders.

12	Other assets (Unsecured, considered good unless stated otherwise)	Non Current		Current	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
Non current bank balances (refer note 13)		25,00,000	-	-	-
Interest accrued on deposits with bank/FIs and not due		-	-	2,51,517	-
Input GST		-	-	8,83,828	1,41,447
Interest accrued on Portfolio Loan		-	-	1,70,14,396	26,48,492
Receivable from related parties (Reimbursement of expenses)		-	-	-	27,33,649
Interest Accrued on Loan to Related Parties		-	-	-	13,27,276
Insurance Claim Receivable		-	-	7,62,453	-
Margin money toward borrowings		67,35,000	-	-	-
		92,35,000	-	1,89,12,194	68,50,864
Total		92,35,000	-	1,89,12,194	68,50,864

13	Cash and cash equivalents	Non Current		Current	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
Cash and cash equivalents					
Balances with banks					
- On current accounts		-	-	7,09,73,657	19,74,90,945
- deposit with original maturity of less than three months		-	-	-	-
Cash in hand		-	-	15,846	21,984
Other bank balances					
- 'Deposit with original maturity for more than 3 months but not more than 12 months (*)		-	-	6,00,00,000	-
- 'Deposit with original maturity for more than 12 months (**)		25,00,000	-	-	-
		25,00,000	-	13,09,89,503	19,75,12,929
Amount disclosed under non-current assets		25,00,000	-	-	-
Total		-	-	13,09,89,503	19,75,12,929

** Deposit certificates of Rs. 25,00,000 (March 31, 2019: Rs 0) marked as lien towards term loans availed from financial institutions, towards cash collateral placed in connection with term.

14	Revenue from operations	Year Ended March 31, 2020	Year Ended March 31, 2019
		(Rs.)	(Rs.)
	Interest income on portfolio loans	12,30,72,316	89,15,977
	Service fee income from direct assignment	9,50,000	-
	Excess interest spread on direct assignment	83,70,746	-
	13,23,93,062	89,15,977	
	Other operating revenue:		
	Processing fee on portfolio loans	1,29,61,276	24,34,500
	Total	14,53,54,338	1,13,50,477
15	Other income	Year Ended March 31, 2020	Year Ended March 31, 2019
		(Rs.)	(Rs.)
	Interest income on fixed deposits with banks	24,91,733	12,46,907
	Interest on margin money deposits*	2,63,588	-
	Income on investment in Mutual funds	5,88,874	-
	Interest on Loan to Related Parties	-	14,23,197
	Miscellaneous income **	1,19,346	-
	Total	34,63,541	26,70,104
* Represents interest on margin money deposits/ cash collateral marked as lien towards term loans availed from financial institutions.			
** Represent liability no longer required to be paid, written back during the year.			
16	Employee benefit expenses	Year Ended March 31, 2020	Year Ended March 31, 2019
		(Rs.)	(Rs.)
	Salaries and bonus	3,41,94,269	55,02,885
	Contributions to provident and other funds	26,72,114	4,53,727
	Gratuity expenses	5,72,227	38,264
	Incentives	30,15,957	-
	Total	4,04,54,567	59,94,876
17	Depreciation and amortisation expenses	Year Ended March 31, 2020	Year Ended March 31, 2019
		(Rs.)	(Rs.)
	Depreciation of tangible assets	25,56,731	4,46,077
	Amortisation on intangible assets	4,07,352	1,53,295
	Total	29,64,083	5,99,372
18	Finance costs	Year Ended March 31, 2020	Year Ended March 31, 2019
		(Rs.)	(Rs.)
	Interest expense		
	On term loans from holding company	4,00,34,804	12,55,007
	On term loans from financial institutions	2,35,60,882	40,411
	Processing Fee on Loan	10,81,365	2,457
	Other finance cost *	19,36,691	-
	Total	6,66,13,742	12,97,875
* Represent arranger fee, legal & professional fee and stamp duty paid on account of borrowing made during the year.			
19	Other expenses	Year Ended March 31, 2020	Year Ended March 31, 2019
		(Rs.)	(Rs.)
	Rent	39,29,992	7,52,189
	Rates and taxes	3,31,410	3,29,018
	Repair and Maintenance	8,07,362	-
	Travelling and conveyance	47,10,494	3,21,778
	Postage, Courier & Communication expenses	12,55,689	2,99,559
	Printing and stationary	9,44,719	4,35,850
	Legal and professional fees	37,98,915	3,13,300
	Payment to auditors (Refer note 19A)	6,68,571	3,50,000
	IT support charges	45,095	22,407
	Bank Charges	30,365	16,080
	Insurance charges	6,01,179	-
	Electricity & water expenses	1,21,152	9,351
	Membership Fees	1,23,000	2,09,688
	Business development expenses	8,32,033	29,736
	Office expenses	9,02,663	-
Staff welfare expenses	7,13,180	1,08,721	
Miscellaneous expenses	1,94,511	2,52,211	
	Total	2,00,10,330	34,49,888
19A	Payment to auditors	Year Ended March 31, 2020	Year Ended March 31, 2019
		(Rs.)	(Rs.)
	As Auditor:		
	Audit fee	6,00,000	3,50,000
	Reimbursement of expenses	1,179	-
	6,01,179	3,50,000	
20	Provision and write offs	Year Ended March 31, 2020	Year Ended March 31, 2019
		(Rs.)	(Rs.)
	Provision for standard assets	51,87,982	22,93,371
	Additional provision on portfolio	1,01,05,762	-
	1,52,93,744	22,93,371	

21	Earnings per share (EPS)	As at	As at
		March 31, 2020	March 31, 2019
	Net Profit for calculation of basic EPS (Rs.)	26,06,036	2,11,019
	Add : Interest on convertible loan from holding company (net of tax)	2,99,58,845	9,39,147
	Net Profit for calculation of diluted EPS (Rs.)	3,25,64,881	11,50,165
	Weighted average number of equity shares for basic EPS	1,50,00,000	72,39,342
	Weighted average no. of equity shares expected to be issued on conversion of loan from holding company	2,83,81,104	91,45,662
	Weighted average number of equity shares in calculating diluted EPS	4,33,81,104	1,63,85,004
	Earning per share:		
	Basic and diluted EPS *	0.17	0.03

* The likely impact arising on conversion of "loan from holding company" on EPS is anti-dilutive and hence, not considered above for computation of diluted EPS.

22 Details of Direct Assignment (DA) executed with NBFCs:

The Company has entered into DAs with NBFCs under the following terms:

- i. Amounts received from the NBFCs are disbursed as loan to joint-liability groups organised / monitored by the Company and such joint-liability groups are considered as NBFCs borrowers
- ii. The Company provides services in connection with recovery and monitoring of such loans.
- iii. The Company has provided collaterals in the form of fixed deposits & corporate guarantee which would be adjusted by NBFCs, to the extent of default made by borrowers.

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(Rs.)	(Rs.)
Total book value of the loan disbursed through managed portfolio during the year	50,22,16,307	-
Outstanding Balance of Loan Disbursed through managed portfolio as at year end	35,12,86,880	-
Amount disbursed on behalf of business correspondence partners and shown as receivable as on reporting	-	-
Service fee income recognised during the year	9,50,000	-

SAVE MICROFINANCE PRIVATE LIMITED
Notes to financial statements as at and for the year ended March 31, 2020

23. Related Party Disclosure

Particulars of Related Parties	
Holding Company	Save Solutions Private Limited
Enterprises under common control	Save Financial Private Limited
Key management personnel (KMP)	1. Ajeet Kumar Singh - Whole-time Director and Promoter 2. Pankaj Kumar - Whole-time Director and Promoter 3. Ajay Kumar Sinha- Whole-time Director and Promoter

Particulars	Holding Company		Enterprises under common control		Total	
	Transaction Value for the period	Balance outstanding as on closing date	Transaction Value for the period	Balance outstanding as on closing date	Transaction Value for the period	Balance outstanding as on closing date
Loan Taken						
Save Solutions Private Limited	17,94,50,000 (32,51,34,266)	38,69,84,266 (22,60,34,266)			17,94,50,000 (32,51,34,266)	38,69,84,266 (22,60,34,266)
Repayment of Loan made						
Save Solutions Private Limited	1,85,00,000 (9,91,00,000)				1,85,00,000 (9,91,00,000)	- (-)
Interest expense						
Save Solutions Private Limited	4,00,34,804 (12,55,007)	1,96,49,670 (11,18,031)			4,00,34,804 (12,55,007)	1,96,49,670 (11,18,031)
Loan Given						
Save Financial Services Private Limited			(1,76,00,000)	-	(1,76,00,000)	(-)
Repayment of Loan Received						
Save Financial Services Private Limited			(1,76,00,000)	-	(1,76,00,000)	(-)
Interest income						
Save Financial Services Private Limited			(14,23,197)	(14,23,197)	(14,23,197)	(14,23,197)
Issue of equity shares including securities premium						
Save Solutions Private Limited	- (9,91,00,000)	14,99,00,000 (14,99,00,000)			- (9,91,00,000)	14,99,00,000 (14,99,00,000)
Reimbursement of expenses						
Payable to Save Solutions Private Limited	- (-50,000)	- (11,15,390)			- (-50,000)	- (11,15,390)
Payable to Save Financial Services Private Limited			(-45,525)	(-54,375)	(-45,525)	(-54,375)
Receivable from Save Solutions Private Limited	- (-27,33,694)	- (27,33,694)			- (-27,33,694)	- (27,33,694)

SAVE MICROFINANCE PRIVATE LIMITED**Notes to the financial statements as at and for the year ended March 31, 2020****24 Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on departure and it is computed at 15 days salary (last drawn salary) for each completed year of service. The gratuity plan is unfunded.

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet for the gratuity plans.

Particulars	As at March 31, 2020	As at March 31, 2019
Assumptions:		
Discount Rate	7.00%	7.70%
Salary Escalation	6.00%	6.00%
Expected Rate of Return on Assets	0.00%	0.00%
Expected Average Remaining Working Life of Employees (Years)	34.77	35.42
Table Showing changes in present value of Defined Benefit obligation:		
	(Rs.)	(Rs.)
Present value of defined benefit obligations as at beginning of the year	38,264	-
Interest cost	2,686	-
Current service cost	5,44,521	38,264
Past service cost – (vested benefits)	-	-
Benefits paid	-	-
Actuarial loss on obligations	25,020	-
Present value of defined benefit obligations as at end of the year	6,10,491	38,264
The amounts to be recognised in the Balance Sheet:		
Present value of obligations at the end of the year	6,10,491	38,264
Fair value of plan assets at the end of the year	-	-
Net liability recognised in balance sheet	6,10,491	38,264
Expenses Recognised in statement of Profit and Loss:		
Current Service Cost	5,44,521	38,264
Interest Cost	2,686	-
Expected return on Plan assets.	-	-
Net Actuarial loss (gain) recognised in the year	25,020	-
Past service cost – vested benefits	-	-
Expenses recognised in statement of profit and loss	5,72,227	38,264
Actual return on plan assets	-	-

The estimates of future salary increases considered in actuarial valuation, takes account of inflation, seniority and other relevant factors, such as supply and demand in the employment market.

The provision of Payment of Gratuity Act is applicable for the Company from the current year, hence figures for earlier years are not required to be furnished.

Notes to the Financial Statements as at and for the year ended March 31, 2020

25 Loan portfolio and provision for standard and non-performing assets as at March 31, 2020:

Asset classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets				Portfolio loans outstanding (Net)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2019	Provision made during the year	Provision written back / utilised	As at March 31, 2020	As at March 31, 2019	
Standard assets	74,81,35,283	22,93,37,101	22,93,371	1,52,93,744	-	73,05,48,168	22,70,43,730	
Non-Performing assets	-	-	-	-	-	-	-	
Total	74,81,35,283	22,93,37,101	22,93,371	1,52,93,744	-	73,05,48,168	22,70,43,730	

Loan portfolio and provision for standard and non-performing assets as at March 31, 2019:

Asset classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets				Portfolio loans outstanding (Net)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018	Provision made during the year	Provision written back / utilised	As at March 31, 2019	As at March 31, 2018	
Standard assets	22,93,37,101	-	-	22,93,371	-	22,70,43,730	-	
Non-Performing assets	-	-	-	-	-	-	-	
Total	22,93,37,101	-	-	22,93,371	-	22,70,43,730	-	

Save Microfinance Private Limited**Notes to the financial statements for the year ended 31 March 2020****26. Provision for outstanding loan portfolio**

a) Provision for outstanding loan portfolio (own):

The provision for outstanding loan portfolio as at 31 March 2020 has been calculated @ 1% on the total loan portfolio outstanding as at the balance sheet date.

Portfolio classification	As at 31 st March 2020		As at 31 st March 2019	
	Loan portfolio	Provision	Loan portfolio	Provision
Standard portfolio*	74,81,35,283	1,75,87,115	22,93,37,101	22,93,371
Non-performing portfolio	-	-	-	-
Total	74,81,35,283	1,75,87,115	22,93,37,101	22,93,371

*This is inclusive of over collateralization of INR 3,47,82,237 (previous year: INR Nil) in respect of direct assignment of portfolio.

The movement in provision during the year is as given below:

Particulars	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Standard portfolio	Non-performing portfolio	Total	Standard portfolio	Non-performing portfolio	Total
Opening Balance	22,93,371	-	22,93,371	-	-	-
Additions	1,52,93,744	-	1,52,93,744	22,93,371	-	22,93,371
Closing Balance	1,75,87,115	-	1,75,87,115	22,93,371	-	22,93,371

Based on the management assessment of various risk factors including impact of COVID-19 pandemic, additional provision of INR 1,01,05,762 over and above minimum provision under prudential norms prescribed by Reserve Bank of India have been recognized in these financial statements.

27. Segment reporting**Business segment**

The Company operates in a single reportable segment i.e. micro financing activities, which have similar risk and return. Accordingly, there is no reportable segment to be disclosed as required by Accounting Standard (AS) – 17 “Segment Reporting”.

Geographical Segment

The Company is engaged in business within India. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

Save Microfinance Private Limited**Notes to the financial statements for the year ended 31 March 2020****28. Operating leases**

Certain office premises are obtained on operating lease. The lease term is for 1-3 years and renewable for further period either mutually or at option of company. There is no restriction imposed by lease agreement. There are no sub leases and the leases are cancellable.

Description	31 March 2020	31 March 2019
Operating lease expenses recognised in the statement of profit and loss	39,29,992	7,52,189

29. Information on instances of frauds

There are no cases of fraud/ misappropriation of cash by the employee during the year ended March 31, 2020

30. Amounts payable to Micro, Small and Medium enterprises

There are no amounts that need to be disclosed in accordance with the Micro, Small and Medium Enterprises Development Act, 2006 (the 'MSMED') pertaining to small or medium enterprises. For the year ended March 31, 2020, no creditor has intimated the company about the status as micro or small enterprises or its registration with appropriate authority under MSMED.

31. Information on Net Interest Margin

Computation of aggregate margin cap	31 March 2020	31 March 2019
a) Average Interest Charged by the Company on Portfolio Loans (%)	24.99%	24.00%
a) Average Interest Cost of borrowings of the Company (%)	15.57%	12.24%*
c) Margin cap (c = a-b)	9.42%	11.76%

*The Company has commenced its operations from November 2018 onwards. Accordingly, major portion of loan disbursements are from the Company's equity funds during the financial year 2018-19. The Company has borrowed terms loans aggregating INR. 2,720 Lakhs in the last quarter of the financial year 2018-19. Accordingly, average interest cost of borrowings for the year have been disclosed on annualized basis taking into consideration the extent of such borrowings deployed for qualifying assets till the year-end.

32. Details of assignment transactions

The Company has undertaken four assignment transactions during the current year (Previous year Nil)

Particulars	31 March 2020	31 March 2019
No of loans assigned	28,661	-
Aggregate value of accounts sold	50,22,16,307	-
Aggregate purchase consideration	45,19,94,676	-
Income recognized in statement of profit and loss	9,320,746	-

33 Public Disclosure on Liquidity Risk as on March 31, 2020 Pursuant to RBI Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies dated November 4, 2019

Public Disclosures on liquidity risk management

i) Funding Concentration based on significant counterparty (Borrowings)

Number of significant counter party	Amount	% of Total Liabilities
One (1)	30,83,58,931	39.22%

ii) **Top 20 large deposits** (Amount in Lakhs and % of total deposits) - Not applicable. The company being a Non-Systematically Important Non Deposit taking NBFC - MFI registered with the RBI does not accept public deposits.

iii) Top 10 Borrowings (amount in lakhs and % of total borrowings)

Amount	% of Total Borrowings
64,32,05,493	92.57%

iv) Funding Concentration based on significant instrument/product

Name of the instrument/Product	Amount	% of Total Liabilities
Term Loans from NBFC's	30,78,25,661	39.15%
Loan From Holding Company	38,69,84,266	49.22%
Total Borrowings	69,48,09,927	88.37%
Total Liabilities	78,62,53,349	

v) Stock Ratios

Particulars	as a % of total public funds	as a % of total liabilities	as a % of total assets
Other Short term liabilities	0.00%	34.02%	28.41%

vi) Institutional set up for liquidity risk management

The company's Board of Directors has the overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the company to manage liquidity risk in accordance with the risk tolerance limit as decided by the board.

***Notes**

- 1 A significant counterparty is defined as a single counterparty or a group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's-NDSI, NBFC-D's total liabilities and 10% of the other non-deposit taking NBFC's .
- 2 A significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amounts to more than 1% of the NBFC's-NDSI, NBFC-D's total liabilities and 10% of the other non-deposit taking NBFC's.
- 3 Total Liabilities has been computed as sum of all liabilities (Balance sheet figures) less equities and Reserves/Surplus.
- 4 Public funds shall include funds raised either directly or indirectly through Public Deposits, Commercial Paper's and debentures, inter-corporate deposits and bank finance but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue as defined in Regulatory Framework for Core Investment Companies issued vide Notification No. DNBS (PD) CC No. 206/03.10.001/2010-11 dated January 5, 2011.
- 5 The amount stated in the disclosure is based on the audited Financial statements for the year ended March 31, 2020.

Save Microfinance Private Limited**Notes to the financial statements for the year ended 31 March 2020****34. Capital to Risk Assets Ratio (“CRAR”)**

Particulars	31 March 2020	31 March 2019
CRAR (%)	20.51%	63.95%*
CRAR – Tier I Capital (%)	18.25%	62.98%
CRAR – Tier II Capital (%)	2.26%	0.96%
Amount of subordinated debt included in Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

* Company was started operation in the month of November 2018 and disbursement made during the financial year 2018-19 was through own fund only. Thus, Capital Adequacy Ratio for the financial year 2018-19, was significantly higher than current financial.

35. Asset Liability Management Maturity pattern of certain items of assets and liabilities

Particulars	1 day to 30/31 days	1 month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year up to 3 years	Over 3 up to 5 years	Over 5 years	Total
Borrowings	1,10,98,364	47,97,755	1,74,05,835	5,52,36,131	11,42,65,858	49,20,05,985	-	-	69,48,09,927
Advances	2,35,66,029	54,70,818	4,66,31,596	14,78,70,484	30,37,82,336	22,08,14,020	-	-	74,81,35,283
Investments	-	-	-	6,00,00,000	25,00,000	67,35,000	-	-	6,92,35,000 (Refer note-13)

36. (i) The Novel Coronavirus (Covid-19) pandemic (declared by WHO on March 1, 2020) has contributed to a significant decline and volatility in global and Indian markets, and a significant decrease in economic activity. On March 24, 2020 government of India announced nationwide lockdown till April 14, 2020, which was further extended till May 31, 2020, through subsequent announcements. This has led to significant disruptions and dislocations for individuals and business, impacting Company’s regular operations including lending and collection activities due inability of staff to physically reach to the borrowers.

The Company has major portion of its borrowers in rural area, where the impact of COVID-19 has relatively lower so far as compared to the urban area. Additionally, the State and Central Government has announced series of economic relief measures to rural India, which will further support rural borrowers’ repayment capacity.

(ii) As discussed above, the COVID-19 pandemic has impacted Company’s regular operations including lending and collection activities, consequently impacting the carrying value of the loans and advances, financial position and performance of the company.

Further, pursuant to the Reserve Bank of India circular dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to its borrowers on payment of installment falling due between March 1, 2020 and August 31, 2020, the company has extended / will be extending moratorium to its borrowers.

(iii) In view of matters mentioned above, the Company has assessed the impact of COVID-19 pandemic on its liquidity and ability to fulfill its obligations as and when they are due and evaluated assets liability maturity (ALM) pattern in various time buckets as prescribed under the guidance notes issued by RBI. Pursuant to the order issued by Ministry of Home Affairs on April 15, 2020 allowing Microfinance companies to operate in specified areas from April 20, 2020 by complying with regulatory guidelines of business, social distancing etc. and with gradual relaxation of lockdown rules thereafter, our employees were able to meet with collect from those

Save Microfinance Private Limited

Notes to the financial statements for the year ended 31 March 2020

borrowers who have indicated their willingness to pay even when the aforesaid moratorium is effective. As observed since resumption of operations, the management is confident that collection will continue to improve. In addition, management has considered various packages announced by Government will directly or indirectly benefit NBFC-MFI. Company is having liquidity position to meet debt obligation over the period of next 12 months from the end of reporting period. Based on the foregoing and necessary stress test considering various scenarios, management is confident that company will be able to meet debt obligations as and when these become due.

(iv) During the year ended March 31, 2020, the company has recognized provision aggregating to Rs. 1,01,05,762 over and above the minimum provision required as per RBI guidelines.

37. Previous year figures have been regrouped/ rearranged, where necessary to confirm this year classification.

**As per our report of even date attached
For S.R.Batliboi & Co. LLP**
ICAI Firm Registration No.301003E/E300005
Chartered Accountants

**For and on behalf of the Board of Directors of
SAVE MICROFINANCE PRIVATE LIMITED**

Bhaswar Digitally signed
by Bhaswar Sarkar
Date: 2020.08.25
17:37:01 +05'30'

per Bhaswar Sarkar
Partner
Membership No.:055596

Date: August 25, 2020
Place: Kolkata

AJEET KUMAR Digitally signed by
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Date: 2020.08.25 14:14:46
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Ajeet Kumar Singh
Director

AKHILESH Digitally signed by
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Date: 2020.08.25 14:14:46
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Akhilesh Kumar Singh
Company Secretary

Pankaj Kumar Digitally signed by Pankaj Kumar
Date: 2020.08.25 13:24:18 +05'30'

Pankaj Kumar
Director

GOURAV Digitally signed
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Date: 2020.08.25
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Gourav Sirohi
Chief Financial Officer

Ajay Kumar Digitally signed by Ajay Kumar Sinha
Date: 2020.08.25 13:34:56 +05'30'

Ajay Kumar Sinha
Director