

BOARD'S REPORT

To,
The Members,
Digikredit Finance Private Limited
Mumbai

The Directors have pleasure in submitting their Eighth Board Report of the Company together with the Audited Financial Statements for the Financial year ended March 31, 2021. The Company is registered with the Reserve Bank of India (RBI) as Non systemically Important Non Banking financial Company not accepting deposits (NBFC ND NSI).

STATE OF COMPANY'S AFFAIRS:

Financial Summary and Highlights:

A summary of Company's financial performance for the year under review along with previous year's figures are given hereunder:

Particulars	March 31, 2021 Rs	March 31, 2020 Rs
Revenue from Operations	53,65,14,984	45,28,19,392
Other Income	3,59,26,384	2,12,31,204
Total Revenue	57,24,41,368	47,40,50,596
Profit(Loss) before Finance Costs, Depreciation and Taxation	(28,49,67,032)	(22,70,69,682)
Less: Finance Costs	18,23,71,862	15,44,20,678
Less: Depreciation and amortization expenses	2,79,36,712	1,71,17,654
Profit (Loss) Before Tax	(49,52,75,606)	(39,86,08,013)
Add / Less: Tax expense	46,76,419	64,65,116
Profit (Loss) After Tax	(49,05,99,187)	(39,21,42,897)

Business Overview:

Income

During the year under review revenue from operations was Rs. 53,65,14,984 (Rupees Fifty Three Crore Sixty Five Lacs Fourteen Thousand Nine Hundred Eighty Four) compared to Rs. 45,28,19,392 (Rupees Forty Five Crore Twenty Eight Lacs Nineteen Thousand Three Hundred Ninety Two) in the previous year.

Profit/(Loss) Before Tax

The loss before tax for the year is Rs. 49,52,75,606 (Rupees Forty Nine Crore Fifty Two Lacs Seventy Five Thousand Six Hundred Six) as against Rs. 39,86,08,013 (Rupees Thirty Nine Crore Eighty Six Lacs Eight Thousand Thirteen) in the previous year.

Profit/(Loss)After Tax

The loss after tax for the year is Rs. 49,05,99,187 (Rupees Forty Nine Crore Five Lacs Ninety Nine Thousand One Hundred Eighty Seven) as Rs. 39,21,42,897 (Rupees Thirty Nine Crore Twenty One Lacs Forty Two Thousand Eight Hundred Ninety Seven) in the previous year.

RAISING OF FUNDS AND ISSUE OF SECURITIES:

During the financial year under review, your Company has raised funds by way of issue of securities as detailed below:

- a) 40 Senior, Secured, Unlisted, Unrated, Redeemable Non-Convertible Debentures of Rs. 10,00,000 each, at par, aggregating to Rs. 4,00,00,000, on Private Placement basis.
- b) 100 (Series A) Rated, Unsubordinated, Secured, Transferable, Redeemable, Non-Convertible Debentures of Rs. 10,00,000 each, at par, aggregating to Rs. 10,00,00,000 on Private Placement basis.
- c) 100 (Series B) Rated, Unsubordinated, Secured, Transferable, Redeemable, Non-Convertible Debentures of Rs. 10,00,000 each, at par, aggregating to Rs. 10,00,00,000, on Private Placement basis.

SHARE CAPITAL

The status of Authorized and Paid up Capital as on March 31, 2021 is furnished below:

Particulars	As on March 31, 2021		As on March 31, 2020	
	Number of shares	Amount (Rs)	Number of shares	Amount (Rs)
Authorised Capital				
Equity	59,50,000	5,95,00,000	39,50,000	3,95,00,000
Preference	35,50,000	3,55,00,000	15,50,000	1,55,00,000
Total	95,00,000	9,50,00,000	55,00,000	5,50,00,000
Paid up Capital				
Equity	23,97,181	2,39,71,810	22,76,083	2,27,60,830
Preference	29,43,628	2,94,36,280	14,97,707	1,49,77,070
Total	53,40,809	5,34,08,090	37,73,790	3,77,37,900

During the year under review, with the consent of the holders of Optionally Convertible Redeemable Preference Shares, Compulsory Convertible Preference Shares and Equity Shareholders, the rights attached to 10,68,422 Optionally Convertible Redeemable Preference Shares (OCRPS) issued to Paragon Partners Growth Fund - I were re-classified and varied into Series-C Compulsory Convertible Preference Shares (Series-C CCPS) of the Company, on September 22, 2020.

Further, 10 Series-C Compulsory Convertible Preference Shares (CCPS) held by Paragon Partners Growth Fund - I, were converted into 10 Equity Shares of the Company, on November 3, 2020.

BORROWINGS:

During the year under review, the Company has raised Rs. 1,35,00,00,000 (Rupees One Hundred Thirty Five Crore only) through borrowing from banks and/or financial institutions. Further, there has been no instance of one-time settlement with Bank and hence, the disclosure regarding difference in valuation is not required.

SECURITISATION OF LOAN PORTFOLIO:

During the year under review, your Company as an originator has undertaken securitisation transactions of total book value of loan assets amounting to Rs 21,75,60,230 (Rupees Twenty One Crore Seventy Five Lacs Sixty Thousand Two Hundred Thirty) and the purchase consideration was Rs 19,58,04,207 (Rupees Nineteen Crore Fifty Eight Lacs Four Thousand Two Hundred Seven). Direct Assignment transactions were Nil during the year.

DIVIDEND:

In view of losses during the year, your Director's do not recommend any dividend for the year.

TRANSFER TO RESERVES:

The Company does not propose to carry any amount to reserve, in view of the loss incurred by the company.

ANNUAL RETURN:

The Annual Return, of the Company, has been placed on www.smecorner.com in compliance with the provisions of section 134(3)(a) read with section 92(3) and the Rules made thereunder.

DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP):

The Board of Directors of the Company is duly constituted. The following are the Directors of the Company:

- a) Mr. Samir Bhatia
- b) Mr. Bharat Shah
- c) Mrs. Neela Bhatia
- d) Mr. Vikas Raj
- e) Mr. Ganesh R.
- f) Mr. Siddharth Parekh

During the year under review, there were following changes in the Board of Directors and Key Managerial Personnel of the Company:

- a) Appointment of Mr. Siddharth Parekh as Nominee Director, w.e.f. July 27, 2020.
- b) Appointment of Mr. Ashish Ranka as Chief Financial Officer w.e.f. February 22, 2021.

The Company is not required to appoint Key Managerial Personnel as per the provisions of section 203 of the Companies Act, 2013.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

During the financial year, the Board of Directors met seven times as below:

Sr. No	Board Meeting date	Quarter	Number of days from previous Board Meeting
1	05-May-2020	April-June	48
2	11-June-2020	April-June	36
3	22-Sep-2020	July-September	102
4	03-Nov-2020	October-December	41
5	17-Dec-2020	October-December	43
6	06-Jan-2021	January - March	19
7	22-Feb-2021	January - March	46

BOARD COMMITTEES:

The Company has formed the following Board/ Management Committees:

#	Committee Name	Members
1.	Risk Management	Mr. Samir Bhatia – Managing Director Mr. Tushar Drolia - Chief Distribution Officer Mr. Aseem Gautam - Chief Risk Officer Ms. Mansi Soni - Head Policy & Portfolio
2.	Investment	Mr. Samir Bhatia – Managing Director Mr. Tushar Drolia - Chief Distribution Officer Mr. Ashish Ranka – Chief Financial Officer
3.	Asset Liability Management	Mr. Samir Bhatia – Managing Director Mr. Aseem Gautam – Chief Risk Officer Mr. Ashish Ranka – Chief Financial Officer Mr. Tushar Drolia – Chief Distribution Officer
4.	Finance Committee	Mr. Samir Bhatia – Managing Director Ms. Neela Bhatia - Director Mr. Ashish Ranka – Chief Financial Officer
5.	Audit Committee	Mr. Samir Bhatia – Managing Director Mr. Ganesh R – Nominee Director Mr. Bharat Shah – Director Mr. Vikas Raj – Nominee Director Mr. Siddharth Parekh – Nominee Director
6.	Nomination and Remuneration Committee	Mr. Samir Bhatia – Managing Director Mr. Siddharth Parekh – Nominee Director Mr. Ganesh R – Nominee Director Mrs. Neela Bhatia – Director

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company being Non-Banking Finance Company, the provisions of section 186 of the Companies Act, 2013 are not applicable.

CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

During the year under review, the Company has not entered into any transaction with related party within the purview of section 188 of the Companies Act, 2013 and the Rules made thereunder.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors or Secretarial Auditors respectively.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There were no material changes, affecting the financial position of the Company, after the completion of financial year on March 31, 2021, till the date of this Report.

RISK MANAGEMENT POLICY:

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

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

Particulars with respect to conservation of energy and technology absorption required as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are not applicable to the Company.

The details of foreign exchange earnings and outgo is as below:

Foreign Exchange Earnings:	NIL
Foreign Exchange Outgo:	NIL

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

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

COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Director's qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future during the year March 31, 2021.

INTERNAL FINANCIAL CONTROL:

The Company's internal control system, with reference to financial statements, is commensurate with the activities and functions of the Company.

DEPOSITS:

The Company has not accepted deposits as per the directives issued by the Reserve Bank of India (RBI) under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder.

DECLARATION OF INDEPENDENT DIRECTORS:

The provisions of Section 149 pertaining to the appointment of Independent Directors are not applicable to the Company.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

VIGIL MECHANISM:

The Company has adopted Whistle Blower / Vigil Mechanism Policy in compliance with the provisions of section 177 of the Companies Act, 2013 and the Rules made thereunder.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

It is the continuous endeavor of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment.

The Company has formed Internal Complaint Committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The following is a summary of sexual harassment complaints received and disposed off during the year 2020-21:

Particulars	Number of Complaints
Number of complaints received	NIL
Number of complaints disposed off	NIL

FRAUD REPORTING:

The Auditors of the Company have not reported any frauds under sub-section (12) of Section 143 other than those which are reportable to the Central Government and hence the details in this regard are not applicable.

STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Act and the Rules framed thereunder, M/s C M Gabhawala & Co. (Firm's Registration No. 102870W), Chartered Accountants, were appointed as Statutory Auditors of the Company at the 5th General Meeting (AGM) of the Company held on August 02, 2018 till the conclusion of the 10th AGM.

SECRETARIAL AUDITORS:

M/s. Ajmal Porora & Associates, Company Secretaries were appointed as secretarial auditors to conduct the secretarial audit of the Company, for the financial year ended March 31, 2021. The Secretarial Audit Report in Form MR-3 is annexed to this report as Annexure-I.

COST RECORDS:

The Central Government has not mandated maintenance of cost records as required under section 148(1) of the Companies Act, 2013, in relation to the business operations of the Company.

PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY:

During the year under review, the Company has not made any application nor any proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016.

DIRECTORS RESPONSIBILITY STATEMENT:

As required under section 134(3)(c) read with 134(5) of the Companies Act, 2013, the Directors confirm that:-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EMPLOYEE STOCK OPTION SCHEME:

The Company has two Employee Stock Options Schemes viz, Digikredit Employee Stock Option Scheme 2015 (ESOS 2015) with a total pool size of 1,09,000 options and Digikredit Employee Stock Option Scheme 2019 (ESOS 2019) with total pool size of 1,06,000.

The details of Employee Stock Options are given in the below table:

Sr. No.	Employee Stock Option Details	ESOS 2015		ESOS 2019	
		As on March 31, 2021	As on March 31, 2020	As on March 31, 2021	As on March 31, 2020
1	Options Granted	122375	106375	132000	106000
2	Options Vested	73375	36000	0	0
3	Options Exercised	0	0	0	0
4	The total number of shares arising as a result of exercise of option;	0	0	0	0
5	Options lapsed	26000	20000	51000	25000
6	The exercise price	10	10	456.63	456.63
7	Variation of terms of options	NA	NA	NA	NA
8	Money realized by exercise of options	0	0	0	0
9	Total number of options in force	96375	86375	81000	81000
10	Employee wise details of options granted to:				
	i. Key managerial personnel		NA		NA
	ii. Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	As per Annexure-II.	As per Annexure-II.	As per Annexure-II.	As per Annexure-II.
	iii. Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	None	None	None	None

ACKNOWLEDGEMENT:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**On behalf of the Board of Directors of
Digikredit Finance Private Limited**

SAMIR VIJAY
BHATIA

Samir Bhatia
Chairman
DIN: 01769655

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Date:
Place:

EMPLOYEE STOCK OPTION SCHEME

Employee wise details of Stock Options granted - As on March 31, 2021:

Sr.No.	Name of Employee	ESOS 2015			ESOS 2019		
		No of Options Granted	No of Options Vested	No of Options Exercised	No of Options Granted	No of Options Vested	No of Options Exercised
1.	Namita Vyas	4000	4000	0	0	0	0
2.	Mehul Patel	4000	4000	0	0	0	0
3.	Tushar Drolia	8000	5000	0	5000	0	0
4.	Paddy Mahadevan	6000	5000	0	5000	0	0
5.	Virendra Kumar Pal	7000	5000	0	10000	0	0
6.	Mansi Soni	13000	12000	0	3000	0	0
7.	Ashit Shroff	13000	12000	0	3000	0	0
8.	Sonal Patni	29375	26375	0	10000	0	0
9.	Shaleen Ahuja	4000	0	0	3000	0	0
10.	Ashish Ranka	6000	0	0	5000	0	0
11.	Mayur Gaikwad	1000	0	0	3000	0	0
12.	Manmeet Jain	0	0	0	3000	0	0
13.	Sharad Soni	0	0	0	3000	0	0
14.	Parth Gadhia	0	0	0	3000	0	0
15.	Girish Chhabria	0	0	0	3000	0	0
16.	Asi Giridhar Reddy	1000	0	0	3000	0	0
17.	Vishal Shah	0	0	0	3000	0	0
18.	Aseem Gautam	0	0	0	10000	0	0
19.	Shriradha Banerjee	0	0	0	6000	0	0
	Total	96375	73375	0	81000	0	0

Employee wise details of Stock Options granted - As on March 31, 2020

Sr.No.	Name of Employee	ESOS 2015			ESOS 2019		
		No of Options Granted	No of Options Vested	No of Options Exercised	No of Options Granted	No of Options Vested	No of Options Exercised
1.	Namita Vyas	4000	0	0	3000	0	0
2.	Mehul Patel	4000	0	0	0	0	0
3.	Tushar Drolia	5000	0	0	5000	0	0
4.	Paddy Mahadevan	5000	0	0	5000	0	0
5.	Sanket Shah	5000	0	0	10000	0	0
6.	Virendra Kumar Pal	5000	0	0	10000	0	0
7.	Mansi Soni	12000	8000	0	3000	0	0
8.	Ashit Shroff	12000	8000	0	3000	0	0
9.	Sonal Patni	26375	20000	0	10000	0	0
10.	Shaleen Ahuja	3000	0	0	3000	0	0
11.	Ashish Ranka	5000	0	0	5000	0	0
12.	Mayur Gaikwad	0	0	0	3000	0	0
13.	Manmeet Jain	0	0	0	3000	0	0
14.	Sharad Soni	0	0	0	3000	0	0
15.	Parth Gadhia	0	0	0	3000	0	0
16.	Girish Chhabria	0	0	0	3000	0	0
17.	Devesh Dixit	0	0	0	3000	0	0
18.	Asi Giridhar Reddy	0	0	0	3000	0	0
19.	Vishal Shah	0	0	0	3000	0	0
	Total	86375	36000	0	81000	0	0

Grant of Employee Stock Options amounting to five percent or more of options granted during the year 2020-21:

Sr.No.	Name of Employee	No of Options Granted
1.	Aseem Gautam	10000
2.	Sonal Patni	3000
3.	Sriradha Banerjee	6000
4.	Tushar Drolia	3000
5.	Virendra Kumar Pal	2000

**On behalf of the Board of Directors of
Digikredit Finance Private Limited**

**SAMIR VIJAY
BHATIA**

Digitally signed by SAMIR VIJAY BHATIA
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Samir Bhatia
Chairman
DIN: 01769655

C. M. GABHAWALA & CO. (Regd.)

CHARTERED ACCOUNTANTS

42, Nanik Niwas, 30, Dr.D.D.Sathe Marg, Girgaum, Mumbai - 400 004

Phone: 2384 1752 / 2382 3923 / 2388 0101. Email: admin@cmgco.net

AUDITORS' REPORT

[Pursuant to Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016]

To The Board of Directors of Digikredit Finance Private Limited.

We have audited the Balance Sheet of **Digikredit Finance Private Limited** as at 31st March 2021 and the statement of Profit and Loss Account of the Company and the Cash Flow Statement annexed thereto for the year ended on that date as per the provisions of the Companies Act, 2013 and have issued our report dated 7th July, 2021 on the said accounts. These financial statements are the responsibility of the Company's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted the audit in accordance with Auditing Standards generally accepted in India. Those Standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audit provides a reasonable basis for our opinion.

Further to that and as required by the "Non-Banking Financial Companies" Auditors' Report (Reserve Bank) Directions 2016, issued by Department of Financial Companies of Reserve Bank of India in terms of sub-section (1A) of Section 45MA of the Reserve bank of India Act, 1934 (hereinafter referred as RBI Act), and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanations given to us, we report that in relation to the accounting year ended 31st March, 2021.

1. The Company is engaged in the business of non-banking financial institution. The Company has obtained a Certificate of Registration (CoR) from the bank dated 7th February, 2018 and the Company is entitled to continue to hold such COR as on 31st March, 2021 in terms of its Principal Business criteria (Financial asset/income pattern).
2. The Board of Directors in its meeting held on 7th July, 2021 had passed a resolution for non-acceptance of any public deposit in the past and that it will not accept any public deposit in the future without Reserve Bank of India's prior approval in writing.

C. M. GABHAWALA & CO. (Regd.)

CHARTERED ACCOUNTANTS

42, Nanik Niwas, 30, Dr. D. D. Sathe Marg, Girgaum, Mumbai - 400 004

Phone: 2384 1752 / 2382 3923 / 2388 0101. Email: admin@cmgco.net

3. The Company has not accepted any public deposits during the year.
4. The Company has met the net owned fund requirement as on 31st March, 2021 and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts, as applicable to it.

For C.M. GABHAWALA & CO
CHARTERED ACCOUNTANTS
FRN: 102870W

BIREN
CHANDRAKANT
GABHAWALA

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CHANDRAKANT GABHAWALA
Date: 2021.07.07 21:06:56 +05'30'

BIREN GABHAWALA
(Partner)
Membership No. 040496
UDIN: 21040496AAABJC5512

Place: Mumbai
Dated: 7th July, 2021

C. M. GABHAWALA & CO. (Regd.)

CHARTERED ACCOUNTANTS

42, Nanik Niwas, 30, Dr.D.D.Sathe Marg, Girgaum, Mumbai - 400 004

Phone: 2384 1752 / 2382 3923 / 2388 0101. Email: admin@cmgco.net

AUDITOR'S CERTIFICATE

To
The Board of Directors
Digikredit Finance Private Limited
Unit No.1B, 4th Floor,
A Wing, Times Square
Andheri Kurla Road,
Mumbai-400059

We have examined the attached Cash Flow Statement of Digikredit Finance Private Limited for the year ended 31st March 2021. The Statement has been prepared by the company and in agreement with the books and records of the company and also the statement of Profit & Loss Account and Balance Sheet of the Company covered by our audit report of even date to the members of the Company.

AS PER OUR REPORT OF EVEN DATE

For C.M. GABHAWALA & CO.
CHARTERED ACCOUNTANTS
FRN: 102870W

BIREN
CHANDRAKANT
GABHAWALA

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pseudonym=f17520bcb075da12e2e93b5a87a837dcdce9b692297
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st=MAHARASHTRA,
serialNumber=dbc371e14015016137ef190c0140d5a281a7fa7d4b
c998f363211b95c404c396, cn=BIREN CHANDRAKANT
GABHAWALA
Date: 2021.07.07 21:10:01 +05'30'

BIREN GABHAWALA
PARTNER
M.NO. 040496
UDIN: 21040496AAABJD9626

Place: Mumbai
Dated: 7th July, 2021

C. M. GABHAWALA & CO. (Regd.)

CHARTERED ACCOUNTANTS

42, Nanik Niwas, 30, Dr.D.D.Sathe Marg, Girgaum, Mumbai - 400 004


Phone: 2384 1752 / 2382 3923 / 2388 0101. Email: admin@cmgco.net

CERTIFICATE

We have audited the accounts of Digikredit Finance Private Limited, having registered Unit No. 1B, 4th Floor, A Wing, Times Square, Andheri Kurla Road, Mumbai-400059 a registered NBFC, having Registration Number 13.02223 dated February 07, 2018 for the financial year ended 31st March, 2021.

For C. M. GABHAWALA & CO.
CHARTERED ACCOUNTANTS
FRN: 102870W

BIREN
CHANDRAKANT
GABHAWALA

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15196e5018ea00 postalCode=900006, st=MAHARASHTRA,
serialNumber=d8c371e14015016137ef190d0140d5a281a7fa7d4bd98036
321685c424c396, cn=BIREN CHANDRAKANT GABHAWALA
Date: 2021.07.07 21:12:42 +05'30'

BIREN GABHAWALA
PARTNER
MEM. NO. 040496
UDIN: 21040496AAABJE5604

Place: Mumbai
Date: 7th July, 2021

C. M. GABHAWALA & CO. (Regd.)

CHARTERED ACCOUNTANTS

42, Nanik Niwas, 30, Dr. D. D. Sathé Marg, Girgaum, Mumbai - 400 004

Phone: 2384 1752 / 2382 3923 / 2388 0101. Email: admin@cmgco.net

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DIGIKREDIT FINANCE PRIVATE LIMITED

Report on the Financial Statements

Opinion

1. We have audited the financial statements of **DIGIKREDIT FINANCE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss and statement of Cash Flows for the year ended and notes to financial statements, including a summary of significant accounting policies and other explanatory information ("financial statements").

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 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 31st March, 2021 and its loss and its cash flow for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of 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 financial statements under the provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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

3. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director 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.

4. 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.

C. M. GABHAWALA & CO. (Regd.)

CHARTERED ACCOUNTANTS

42, Nanik Niwas, 30, Dr. D. D. Sathe Marg, Girgaum, Mumbai - 400 004

Phone: 2384 1752 / 2382 3923 / 2388 0101. Email: admin@cmgco.net

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

Management's Responsibility for the Financial Statements

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of Financial Statements

7. 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. The description of the auditor's responsibilities for the audit of the financial statements is mentioned below :

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

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

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

C. M. GABHAWALA & CO. (Regd.)

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9. As required by section 143(3) of the Act, we report that:
- 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;
 - 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.
 - 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;
 - 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.
 - On the basis of written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - 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 B".
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company does not have any pending litigation which would impact its financial position in its financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which provision is required to be made for any material foreseeable losses.
 - The Company is not required to transfer funds to the Investors Education and Protection Fund.

**For C M Gabhawala and Co,
Chartered Accountants
FRN. 102870W**

**BIREN CHANDRAKANT
GABHAWALA**

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pseudonym=f17520bd075da12e2e93b5a87a837dcd9b6922979e
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**Biren Gabhawala
Partner
M.No. 040496
UDIN: 21040496AAABJF4250
Place: Mumbai
Date: 7th July, 2021**

C. M. GABHAWALA & CO. (Regd.)

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Phone: 2384 1752 / 2382 3923 / 2388 0101. Email: admin@cmgco.net

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 8 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i)
 - a. The Company maintains proper records showing full particulars, including quantitative details and situations of all the fixed assets as observed from the records provided during earlier years.
 - b. The fixed assets of the Company are physically verified as per the program approved by the management for such verification. As per the information and explanation provided by the management, due to COVID-19 lockdown, the aforesaid verification could not be undertaken by the Company as at the end of the current financial year. The management explanation that considering the past trend and having regard to the size of the Company and nature of its assets and related internal controls, there is unlikely to be any material discrepancy for the current financial year, has been relied upon. Further, the management has informed that post COVID-19 lockdown, an interim physical verification shall be conducted for the next financial year .
 - c. In our opinion and according to the information and explanation given to us and on the basis of an examination of the records of the Company, there are no immovable properties held in the name of the company.
- (ii) As the Company does not have inventory, the Clauses (ii) of Para 3 of the Order are not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, Limited Liability Partnerships firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause 3(iii)(a) to 3(iii)(c) are not applicable to the Company.
- (iv) The company has not given / made any loans, investments, guarantees, and security accordingly provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable.
- (v) The Company has not accepted any public deposits within the meaning of Sections 73 to 76 of Companies Act, 2013 and rules framed there under. No order has been passed by the Company Law Board or Reserve Bank of India or any Court or any other Tribunal.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any goods sold and services/ activities rendered by the Company. As the clause 3(vi) of the Order regarding maintenance of cost records under Sub-Section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company.

C. M. GABHAWALA & CO. (Regd.)

CHARTERED ACCOUNTANTS

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- (vii) a) The Company has generally been regular in depositing applicable undisputed statutory dues, including provident fund, employees' state insurance, income tax, Goods and Service Tax, and any other statutory dues with the appropriate authorities during the period.

b) There are no dues of provident fund, employees' state insurance, income tax, Goods and Service Tax which have not been deposited on account of any dispute.
- (viii) The Company has taken loans from financial institutions, banks and has not made any default in repayment of the same. The company has issued debentures.
- (ix) The Company has not raised money by way of initial public offer or further public offer during the year.
- (x) There is no instance of any fraud by the company or any fraud on the Company by its officers or employees, either noticed or reported during the period under review, on or by the Company.
- (xi) The Company is not a public Company hence the provisions of Section 197 read with Schedule V to the Companies Act, 2013 are not applicable.
- (xii) The Company is not in the nature of a Nidhi Company as defined under Section 406 the Companies Act, 2013.
- (xiii) All transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards (Refer Note 21 of financial statements).
- (xiv) The Company has not made any preferential allotment and/or private placement of shares during the year under review and has complied with the requirement of section 42 of companies act, 2013 and the amount raised has been used for the purpose which funds were raised.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable to the Company.

C. M. GABHAWALA & CO. (Regd.)

CHARTERED ACCOUNTANTS

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

For C M Gabhawala and Co
Chartered Accountants
FRN. 102870W

BIREN CHANDRAKANT
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Biren Gabhawala
Partner
M.No. 040496
UDIN: 21040496AAABJF4250

Place: Mumbai
Date: 7th July, 2021

C. M. GABHAWALA & CO. (Regd.)

CHARTERED ACCOUNTANTS

42, Nanik Niwas, 30, Dr.D.D.Sathe Marg, Girgaum, Mumbai - 400 004

Phone: 2384 1752 / 2382 3923 / 2388 0101. Email: admin@cmgco.net

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Digikredit Finance Private Limited**.

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 Digikredit Finance Private Limited. ("the Company") as of 31st March, 2021 in conjunction with our audit of the standalone 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 standalone financial statements, whether due to fraud or error.

C. M. GABHAWALA & CO. (Regd.)

CHARTERED ACCOUNTANTS

42, Nanik Niwas, 30, Dr. D. D. Sathe Marg, Girgaum, Mumbai - 400 004

Phone: 2384 1752 / 2382 3923 / 2388 0101. Email: admin@cmgco.net

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 standalone 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 standalone 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 standalone 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.

C. M. GABHAWALA & CO. (Regd.)

CHARTERED ACCOUNTANTS

42, Nanik Niwas, 30, Dr. D. D. Sathe Marg, Girgaum, Mumbai - 400 004

Phone: 2384 1752 / 2382 3923 / 2388 0101. Email: admin@cmgco.net

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 31st March, 2021, 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 ICAI.

For C.M. GABHAWALA & CO

Chartered Accountants

Firm Registration No: 102870W

**BIREN
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Biren Gabhawala

Partner

M. No. 40496

UDIN: 21040496AAABJF4250

Place: Mumbai

Date: 7th July, 2021

Digikredit Finance Private Limited
Balance Sheet as at 31st March, 2021
CIN : U65100MH2013PTC250061

Particulars	Note No	As at 31 March, 2021	As at 31 March, 2020
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	5,34,08,090	5,34,08,090
(b) Reserves and Surplus	3	76,47,43,626	1,24,87,13,196
		81,81,51,716	1,30,21,21,286
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	91,84,68,998	55,22,81,131
(b) Long Term Provisions	5	9,61,55,518	3,11,87,639
		1,01,46,24,516	58,34,68,770
(3) Current Liabilities			
(a) Current Maturities of Long Term Borrowings	4	86,66,43,459	53,93,53,526
(b) Trade Payables			
Total outstanding due of micro and small enterprises	6	22,25,164	13,71,229
Total outstanding due of creditors other than micro and small enterprise		26,10,313	30,70,547
(c) Other Current Liabilities	7	23,06,66,225	10,31,01,213
(d) Short Term Provisions	8	43,25,791	41,82,635
		1,10,64,70,953	65,10,79,150
Total		2,93,92,47,186	2,53,66,69,206
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment			
(i) Tangible Assets	9	53,66,623	1,00,03,239
(ii) Intangible Assets		3,62,89,961	1,55,59,263
(iii) Capital Work in Progress		3,11,41,258	4,99,65,819
(b) Deferred Tax Assets (net)		8,90,81,639	8,44,05,219
(c) Long Term Loans and Advances	10	1,36,56,29,910	75,28,86,987
(d) Other non-current assets	11	3,37,73,008	7,83,60,873
		1,56,12,82,399	99,11,81,400
(2) Current assets			
(a) Short Term Loans and Advances	10	68,50,62,159	47,47,85,448
(b) Trade Receivables	12	5,55,43,370	4,26,77,054
(c) Cash and Bank Balances	13	43,34,31,845	95,75,40,581
(d) Other current assets	14	20,39,27,413	7,04,84,723
		1,37,79,64,787	1,54,54,87,806
Total		2,93,92,47,186	2,53,66,69,206

The accompanying notes are an integral part of these Financial Statements

For C.M.Gabhawala and Co.

Chartered Accountants

FRN: 102870W

BIREN CHANDRAKANT GABHAWALA
Digitally signed by BIREN CHANDRAKANT GABHAWALA
 DN: cn=Biren C. Gabhawala, o=Chartered Accountants, email=birencg@cmgabhawala.com, postalCode=400025, serialNumber=4021, c=IN

Biren C. Gabhawala

Partner

Membership No. 040496

Mumbai

Dated: 07th July 2021

For and on behalf of Board of Directors

SAMIR VIJAY BHATIA
Digitally signed by SAMIR VIJAY BHATIA
 DN: cn=Samir Vijay Bhatia, o=Digikredit Finance Private Limited, email=samirvj@digikredit.com, postalCode=400025, serialNumber=4021, c=IN

Samir Bhatia

(Chairman)

DIN:01769655

ASHISH SHANTILAL RANKA
Digitally signed by ASHISH SHANTILAL RANKA
 DN: cn=Ashish Shantilal Ranka, o=Digikredit Finance Private Limited, email=ashishr@digikredit.com, postalCode=400025, serialNumber=4021, c=IN

Ashish Ranka

(Chief Financial Officer)

Digikredit Finance Private Limited
Statement of Profit and loss for the year ended 31st March,2021
CIN : U65100MH2013PTC250061

Particulars	Note No	For the year ended 31st March 2021	For the year ended 31st March 2020
I. Revenue from Operations	15	53,65,14,984	45,28,19,392
II. Other Income	16	3,59,26,384	2,12,31,204
A. Total Revenue		57,24,41,368	47,40,50,596
III Expenses:			
(a) Employee Benefit Expenses	17	40,82,28,010	42,65,12,406
(b) Finance Cost	18	18,23,71,862	15,44,20,678
(c) Other Expenses	19	15,03,80,680	17,17,19,538
(d) Depreciation and Amortization Expenses	20	2,79,36,712	1,71,17,654
(e) Provisions & Write Offs	21	29,87,99,710	10,28,88,333
B. Total Expenses		1,06,77,16,974	87,26,58,609
IV. (Loss) before tax (A-B)		(49,52,75,606)	(39,86,08,013)
V. Tax Expense:			
(a) Current Tax		-	-
(b) Deferred Tax		46,76,419	64,65,116
VI. (Loss) after Tax		(49,05,99,187)	(39,21,42,897)
VII. Earning per equity share:			
(1) Basic		(204.66)	(171.09)
(2) Diluted		(88.77)	(97.80)

The accompanying notes are an integral part of these Financial Statements

As per our report of even date

For C.M. Gabhawala and Co.

Chartered Accountants

FRN: 102870W

BIREN
CHANDRAKANT
GABHAWALA

Biren C. Gabhawala

Partner

Membership No. 040496

Mumbai

Dated: 07th July 2021

Digitally signed by BIREN CHANDRAKANT GABHAWALA
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 serialNumber=4bc371e14015016131f1700151405a291a7f
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 CHANDRAKANT GABHAWALA
 Date: 2021.07.07 21:08:29 +05'30'

For and on behalf of Board of Directors

SAMIR
VIJAY
BHATIA

Samir Bhatia

(Chairman)

DIN:01769655

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 DN: c=IN, o=Personal,
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 BHATIA
 Date: 2021.07.07 21:12:51 +05'30'

ASHISH
SHANTILAL
RANKA

Ashish Ranka

(Chief Financial Officer)

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 Date: 2021.07.07
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Digikredit Finance Private Limited
Statement of Cash Flows for the year ended 31st March, 2021

CIN : U65100MH2013PTC250061

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
A. Cash Flow From Operations		
Net loss before Tax & Extraordinary items	(49,52,75,606)	(39,86,08,013)
Add / (Less):		
1) Depreciation	2,79,36,712	1,71,17,654
2) Provision for ESOP	97,35,809	14,56,964
3) Provision & Write Offs	13,88,60,549	7,36,35,567
4) Profit on sale of Investments	(24,06,385)	(81,04,328)
5) Profit on proceeds out of insurance claim	-	(10,907)
6) Interest Received	(3,27,51,695)	(1,26,21,429)
	14,13,74,990	7,14,73,521
Operating Profit/(Loss)	(35,39,00,617)	(32,71,34,492)
Operating Profit before Working Capital Changes		
Adjustments For :		
Current Assets		
(Increase) / Decrease in Trade Receivables	(1,28,66,316)	(2,07,04,932)
(Increase) / Decrease in Other Receivables	(6,21,28,444)	(2,96,05,629)
(Increase) / Decrease in Trade Payables	3,93,701	3,30,190
Increase / (Decrease) in Other Current liability	12,75,65,012	2,68,53,853
Increase / (Decrease) in Long Term Provision	3,40,49,443	87,96,668
Increase / (Decrease) in Short Term Provision	(2,03,920)	2,17,191
(Increase) / Decrease in Long term Loans & Advances	(72,03,37,961)	(29,40,18,448)
(Increase) / Decrease in Short term Loans & Advances	(21,02,76,711)	(8,62,08,588)
Net (Increase)/Decrease in Working Capital	(84,38,05,196)	(39,43,39,695)
Cash Generated From Operations / (Utilised from operations)	(1,19,77,05,812)	(72,14,74,187)
Less: Direct Taxes Paid	(50,29,970)	(86,21,689)
(A)	(1,20,27,35,782)	(73,00,95,876)
B. Cash Flow From Investments		
Purchase of Property, Plant and Equipment	(2,52,06,231)	(6,56,06,617)
Sale of Property, Plant and Equipment	-	24,754
(Investment)/ Redemption in Fixed Deposit	(2,16,96,411)	(8,00,60,873)
(Investment)/ Redemption in MF	24,06,385	37,81,04,328
Interest Received on FD	3,27,51,695	1,26,21,429
(B)	(1,17,44,561)	24,50,83,021
C. Cash Flow From Financing		
Loan Taken	69,34,77,799	17,84,36,908
Proceeds from issue of equity share capital	-	12,10,880
Proceeds from issue of preference share capital	-	1,44,59,310
Securities Premium	-	1,08,43,30,138
NCD issue expenses	(31,06,192)	(1,02,57,007)
(C)	69,03,71,607	1,26,81,80,229
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(52,41,08,736)	78,31,67,374
Opening Balance	95,75,40,581	17,43,73,207
Closing Balance	43,34,31,845	95,75,40,581
Net Increase / (Decrease) in Cash & Cash Equivalents	-52,41,08,736	78,31,67,374

Notes:-

1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3 on Cash Flow Statement issued by ICAI.

2) Cash and Cash equivalents includes:

Cash	13,200	13,200
Balance with bank	25,66,18,645	4,02,27,381
Fixed Deposit	17,68,00,000	91,73,00,000
Cash and Cash equivalents considered for cash flow	43,34,31,845	95,75,40,581

3) Previous year figures have been regrouped/rearranged to conform to those of current years

The accompanying notes are an integral part of these Financial Statements

As per our report of even date

For C. M. Gabhawala & CO.

Chartered Accountants

FRN: 102870W

**BIREN CHANDRAKANT
GABHAWALA**

**Biren C. Gabhawala
Partner
Membership No. 040496
Mumbai
Dated: 07th July 2021**

For and on behalf of Board of Directors

**SAMIR VIJAY
BHATIA**

**Samir Bhatia
(Chairman)
DIN:01769655**

**ASHISH
SHANTILAL
RANKA**

**Ashish Ranka
(Chief Financial Officer)**

Term Loan from Bank / FI

Name or Bank /FI	Repayable in	Original Tenor (in months)	As at March 31, 2021	As at March 31, 2020
IDFC First Bank Ltd - Term Loan 1	Bullet Installment at the end of tenor	60	25,89,26,081	25,00,00,000
IDFC First Bank Ltd - Term Loan 2	Quarterly Installment	36	8,63,08,697	14,58,33,335
IDFC First Bank Ltd - Term Loan 3	Equated Monthly Installment	36	13,18,18,180	-
Northern Arc Capital Ltd - Term Loan 1	Equated Monthly Installment	24	1,89,04,560	10,47,43,640
Northern Arc Capital Ltd - Term Loan 2	Equated Monthly Installment	24	5,45,60,427	14,94,63,740
Northern Arc Capital Ltd - Term Loan 3	Equated Monthly Installment	24	17,00,36,625	-
Vivriti Capital Pvt Ltd - Term Loan 1	Equated Monthly Installment	24	2,01,34,043	9,45,14,709
Vivriti Capital Pvt Ltd - Term Loan 2	Equated Monthly Installment	24	4,06,80,585	-
Vivriti Capital Pvt Ltd - Term Loan 3	Equated Monthly Installment	24	4,06,00,500	-
Vivriti Capital Pvt Ltd - Term Loan 4	Equated Monthly Installment	24	9,58,33,332	-
Ambit Finvest Pvt Ltd	Equated Monthly Installment	24	14,23,762	1,72,81,009
UGRO Capital Ltd	Equated Monthly Installment	24	1,22,59,585	3,27,15,318
Hinduja Leyland Finance Ltd	Equated Monthly Installment	36	2,56,23,096	4,13,26,304
HDFC Bank Ltd - Term Loan 1	Equated Monthly Installment	24	2,65,85,716	7,68,62,024
HDFC Bank Ltd - Term Loan 2	Equated Monthly Installment	30	9,09,57,230	-
SIDBI	Monthly Installment	30	5,19,00,000	9,63,00,000
Western Capital Advisors Pvt Ltd - Term Loan 1	Monthly Installment	24	2,73,73,830	5,00,00,000
Western Capital Advisors Pvt Ltd - Term Loan 2	Monthly Installment	24	4,16,66,660	-
Capital India Finance Ltd	Equated Monthly Installment	24	5,00,00,000	-
Kisetsu Saison (India) Pvt Ltd	Equated Monthly Installment	18	7,77,77,778	-
Growth Source Financial Technologies Pvt Ltd	Equated Monthly Installment	18	4,23,98,930	-
Incred Financial Services Limited	Equated Monthly Installment	18	3,18,42,835	-
MAS Financial Services Ltd - Term Loan 1	Equated Monthly Installment	24	8,75,00,004	-
MAS Financial Services Ltd - Term Loan 2	Equated Monthly Installment	24	6,00,00,000	-
AU Small Finance Bank Ltd -Term Loan 1	Monthly Installment	18	-	1,11,11,104
AU Small Finance Bank Ltd -Term Loan 2	Monthly Installment	18	-	1,66,66,664
Profectus Capital Pvt Ltd	Equated Monthly Installment	18	-	48,16,811
			1,54,51,12,457	1,09,16,34,657

The Weighted Average cost on above Term Loans is 13.68%

Digikredit Finance Private Limited

Notes Forming Part of Financial Statements

Note - 2 : Share Capital

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
AUTHORISED				
Equity Shares of Rs. 10/- each	59,50,000	5,95,00,000	59,50,000	5,95,00,000
0.001 % Preference Shares of Rs. 10/- each	35,50,000	3,55,00,000	35,50,000	3,55,00,000
	95,00,000	9,50,00,000	95,00,000	9,50,00,000
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares (Face Value Rs. 10)				
Equity Shares of Rs. 10/- each fully paid up	23,97,181	2,39,71,810	23,97,171	2,39,71,710
Preference Shares (Face Value Rs. 10)				
0.001% Compulsory Convertible Redeemable Preference Shares of Rs. 10/- each fully paid up	29,43,628	2,94,36,280	18,75,216	1,87,52,160
0.001% Optionally Convertible Redeemable Preference Shares of Rs. 10/- each fully paid up	-	-	10,68,422	1,06,84,220
	53,40,809	5,34,08,090	53,40,809	5,34,08,090
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period				
Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Equity Shares (Face Value Rs. 10)				
Shares Outstanding at the beginning of the period	23,97,171	2,39,71,710	22,76,083	2,27,60,830
Shares issued during the period	-	-	1,21,088	12,10,880
Converted from Optionally Convertible Redeemable Preference Shares	10	100	-	-
Shares Outstanding at the end of the period	23,97,181	2,39,71,810	23,97,171	2,39,71,710
Compulsory Cumulative Preference Shares (Face Value Rs. 10)				
Shares Outstanding at the beginning of the period	18,75,216	1,87,52,160	14,97,707	1,49,77,070
Shares issued during the period	-	-	3,77,509	37,75,090
Converted from Optionally Convertible Redeemable Preference Shares	10,68,412	1,06,84,120	-	-
Shares Outstanding at the end of the period	29,43,628	2,94,36,280	18,75,216	1,87,52,160
Optionally Convertible Redeemable Preference Shares (Face Value Rs. 10)			61,47,602	
Shares Outstanding at the beginning of the period	10,68,422	1,06,84,220	-	-
Shares issued during the period	-	-	10,68,422	1,06,84,220
Converted to Compulsory Cumulative Preference Shares	(10,68,422)	(1,06,84,220)	-	-
Shares Outstanding at the end of the period	-	-	10,68,422	1,06,84,220
Details of shareholders holding more than 5% shares in the company				
Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity shares of Rs. 10 each				
Samir Vijay Bhatia	15,31,911	63.90	15,31,911	63.90
Neela Samir Bhatia	2,29,239	9.56	2,29,239	9.56
Bharat Shah	1,65,007	6.88	1,65,007	6.88
Reena Shah	1,28,908	5.38	1,28,908	5.38
Total	20,55,065	85.73	20,55,065	85.73
Preference shares of Rs. 10 each				
Accion Frontier Inclusion Mauritius	10,94,033	37.17	10,94,033	37.17
Stitching Fondsbeheer DGGF Lokaal MKB	4,77,825	16.23	4,77,825	16.23
Accion Africa-Asia Investment Company	1,91,505	6.51	1,91,505	6.51
Paragon Partners Growth Fund - I	10,68,412	36.30	10,68,422	36.30
Total	28,31,775	96.20	28,31,785	96.20

Digikredit Finance Private Limited

Note - 3 : Reserves & Surplus

Particulars	As at	
	31st March, 2021	31st March, 2020
Securities Premium		
Opening Balance	1,85,86,59,127	78,45,85,996
Add : for the period	-	1,08,43,30,138
Less : Utilised for issue of non convertible debentures	(31,06,192)	(1,02,57,007)
	1,85,55,52,935	1,85,86,59,127
Profit and Loss Account		
Opening Balance	(62,14,21,314)	(22,92,78,417)
Add / (less): for the period	(49,05,99,187)	(39,21,42,897)
	(1,11,20,20,501)	(62,14,21,314)
ESOP Outstanding Account		
Opening Balance	1,14,75,383	1,00,18,419
Add : Provided for the period	97,35,809	14,56,964
Closing Balance	2,12,11,192	1,14,75,383
Closing balance	76,47,43,626	1,24,87,13,196

Note - 4: Long term Borrowings

Particulars	As at		As at	
	31st March, 2021		31st March, 2020	
	Non-Current	Current	Non-Current	Current
Secured				
Term Loan from Bank / FI	43,25,85,477	85,36,00,899	30,22,81,131	53,93,53,526
Non-convertible redeemable debentures 15% Debentures, FV-Rs.10 lakhs -20 nos (25% redeemable at the end of 12 months and balance at the end of 48 months)	3,00,00,000	1,00,00,000	-	-
14.75% Debentures, FV-Rs.10 lakhs- 200 nos (100 nos redeemable at the end of 24 months and balance at the end of 25 months)	20,00,00,000	-	-	-
Unsecured				
Term Loan from Bank / FI	25,58,83,521	30,42,560	25,00,00,000	-
Total	91,84,68,998	86,66,43,459	55,22,81,131	53,93,53,526

NOTE : All secured borrowings are secured by way of hypothecation of receivables, i.e. loans and advances

Note - 5: Long term provisions

Particulars	As at	
	31st March, 2021	31st March, 2020
Provision for Lease Equalization	16,17,615	14,96,381
Provision for Gratuity	1,66,57,779	1,21,87,127
Provisions for Standard Assets	1,30,31,043	52,85,398
Provision for NPA	3,53,91,524	1,22,18,734
Provision on Risk Sharing / FLDG	2,94,57,557	-
Total	9,61,55,518	3,11,87,639

Note 6: Trade Payables

Particulars	As at	
	31st March, 2021	31st March, 2020
(A). Total outstanding dues to micro and small enterprises	22,25,164	13,71,229
(B). Total outstanding dues to creditors other than micro enterprises and small enterprises	26,10,313	30,70,547
Total	48,35,477	44,41,776

Digikredit Finance Private Limited

Note - 7 : Other current Liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
Temporary book overdraft	9,38,89,126	-
Statutory Liabilities	1,30,74,682	92,06,369
Outstanding Salary	2,00,00,000	4,13,71,428
Interest accrued but not due on borrowings	83,72,343	93,95,543
Provision for expenses	2,34,32,915	1,29,17,243
Other Liabilities	7,18,97,159	3,02,10,630
Total	23,06,66,225	10,31,01,213

Note - 8: Short term provisions

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provisions for Standard Assets	40,91,101	37,44,025
Provision for Gratuity	2,34,690	4,38,610
Total	43,25,791	41,82,635

Digikredit Finance Private Limited

Note - 10: Loans & Advances

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Non-Current	Current	Non-Current	Current
Secured Loans & Advances	8,32,27,904	65,94,886	6,84,74,479	68,81,325
Unsecured Loans & Advances	1,26,79,41,423	67,84,67,273	67,22,64,287	46,79,04,123
Deposit for Office Premises	1,00,65,000	-	1,21,08,138	-
Other Deposits	43,95,583	-	40,083	-
Total	1,36,56,29,910	68,50,62,159	75,28,86,987	47,47,85,448

Note - 11 : Other non current assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed deposit with maturity more than 12 months (Held as lien marked against securitization and FLDG loss) (Previous year Rs 7,43,60,873)	3,37,73,008	7,83,60,873
Total	3,37,73,008	7,83,60,873

Note - 12: Trade Receivable

Particulars	As at 31st March, 2021	As at 31st March, 2020
Debtors outstanding for a period exceeding six months	-	-
Other debts	5,55,43,370	4,26,77,054
Total	5,55,43,370	4,26,77,054

Note - 13: Cash & Cash equivalent

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash	13,200	13,200
Balance with bank	25,66,18,645	4,02,27,381
Fixed deposit with maturity within 3 months (FD amounting to Rs 2,18,00,000 held as lien marked against securitization and FLDG loss) (Previous year Rs 18,00,000)	17,68,00,000	91,73,00,000
Total	43,34,31,845	95,75,40,581

Note -14 : Other current Assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Prepaid expenses	4,01,65,980	85,63,639
Salary Advance	3,34,166	3,65,835
ITC (GST)	42,16,020	32,55,936
Tax deducted at source	1,81,32,121	1,31,02,151
Advance to Creditors	6,18,497	-
Accrued Interest on Loan given	4,49,09,396	3,42,28,107
Accrued Interest on FD	84,43,661	40,71,302
Other Assets	1,41,23,296	1,97,753
Fixed deposit with maturity between 3 to 12 months (FD amounting to Rs 6,89,84,276 held as lien marked against securitization and FLDG loss) (Previous year Rs 67,00,000)	7,29,84,276	67,00,000
Total	20,39,27,413	7,04,84,723

Digikredit Finance Private Limited

Note - 15 : Revenue from Operations

Particulars	For the period ended 31st March, 2021	For the year ended 31st March, 2020
Service fees	11,50,88,680	11,93,86,025
Advertising Services	2,09,69,556	2,27,68,000
Processing Fee	3,74,51,086	2,78,79,381
Other Revenue	60,82,192	47,25,090
Interest Income	35,69,23,470	27,80,60,896
Total	53,65,14,984	45,28,19,392

Note - 16 : Other Income

Particulars	For the period ended 31st March, 2021	For the year ended 31st March, 2020
Interest on FD	3,27,51,695	1,26,21,429
Interest on IT Refund	3,68,552	-
Profit on sale of Investments	24,06,385	81,04,328
Miscellaneous Income	3,93,263	5,05,358
Other Advances written back	6,489	89
Total	3,59,26,384	2,12,31,204

Note - 17 : Employee benefit expense

Particulars	For the period ended 31st March, 2021	For the year ended 31st March, 2020
Salary	37,44,96,545	39,50,77,771
Employee Compensation expenses	85,57,598	6,73,314
Contribution to PF	1,64,23,764	1,66,90,464
ESIC Employer Contribution expenses	18,36,277	21,25,762
Staff welfare	22,62,175	31,21,832
Training & Seminar expenses	3,84,919	4,16,136
Gratuity	42,66,732	84,07,127
Total	40,82,28,010	42,65,12,406

Note - 18: Finance Cost

Particulars	For the period ended 31st March, 2021	For the year ended 31st March, 2020
Interest Expenses	17,40,95,171	15,09,50,922
Other Finance Cost	82,76,691	34,69,756
Total	18,23,71,862	15,44,20,678

Note - 19 : Other expenses

Particulars	For the period ended 31st March, 2021	For the year ended 31st March, 2020
Audit fees (Refer Note 19A)	15,32,250	10,71,674
Bank charges	16,91,988	5,42,785
Brokerage Expenses	34,000	9,94,500
Commission Paid	4,52,14,936	6,02,12,465
Conveyance	58,85,599	90,35,508
Electricity Charges	25,97,001	35,80,150
GST Written off	-	1,22,80,915
Insurance	1,04,58,033	24,35,484
Other Interest paid	-	177
Internet expenses	26,29,980	24,87,648
Marketing expenses	81,23,495	28,42,666
Membership fee	1,91,752	71,575
Postage & Courier	4,93,142	7,94,732
Printing & Stationary expenses	20,52,970	27,18,554
Professional & consultancy fees	2,72,50,784	2,29,39,449
Profession Tax	20,150	23,853
Rates and taxes	68,400	22,800
Recruitment Expenses	2,96,860	30,17,925
Rent	2,53,14,698	2,54,25,653
Repair & Maintenance		
Plant and Machinery	4,81,587	2,23,197
Building	1,09,570	1,47,382
Others	1,52,622	1,88,090
Technology expenses	1,14,40,247	1,06,46,403
Telephone expenses	6,92,191	5,57,189
Travelling expenses	12,04,970	51,11,881
Miscellaneous Expenses	24,43,455	43,46,886
Total	15,03,80,680	17,17,19,538

Digikredit Finance Private Limited

Note - 19A

Audit Fees	31st March, 2021	31st March, 2020
Statutory Auditors		
Statutory Audit	3,40,000	4,00,000
GST Audit	75,000	75,000
Other Company Matters	92,500	1,57,500
Internal Auditors	10,24,750	4,39,174

Note - 20 : Depreciation

Particulars	For the period ended 31st March, 2021	For the year ended 31st March, 2020
Depreciation	2,79,36,712	1,71,17,654
Total	2,79,36,712	1,71,17,654

Note - 21: Provisions & Write Offs

Particulars	For the period ended 31st March, 2021	For the year ended 31st March, 2020
Provision for Standard Assets	80,92,721	54,49,885
Provision for NPA	2,31,72,790	1,01,89,345
Bad Debts Written Off	10,75,95,038	5,79,96,338
Loss on Partner's NPA	15,99,39,161	2,92,52,766
Total	29,87,99,710	10,28,88,333

Digikredit Finance Private Limited

Balance Sheet as at 31st March, 2021

Note:-9 Property, Plant and Equipment

Particulars	Useful Life	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.2020	Addition during the Period	Deductions during the Period	As on 31.03.2021	As on 01.04.2020	Depreciation for the period	Deduction during the Period	As on 31.03.2021	As on 31.03.2021	As on 31.03.2020
A. Tangible Assets											
Furniture and Fixtures	10	10,58,877	50,181	-	11,09,058	3,17,553	1,99,946	-	5,17,499	5,91,559	7,41,324
Computer & IT products	3	1,80,06,344	6,12,119	-	1,86,18,463	1,10,80,521	43,50,895	-	1,54,31,416	31,87,047	69,25,824
Office Equipments	*	46,35,874	3,59,263	-	49,95,137	22,99,782	11,07,338	-	34,07,120	15,88,017	23,36,092
Total		2,37,01,095	10,21,563	-	2,47,22,658	1,36,97,856	56,58,180	-	1,93,56,035	53,66,623	1,00,03,239
B. Intangible assets											
Website	10	1,32,61,131	-	-	1,32,61,131	80,87,814	13,39,372		94,27,186	38,33,945	51,73,317
App Development	3	2,13,68,684	4,35,00,727	4,91,494	6,43,77,916	1,16,03,586	2,05,98,915	51,880	3,21,50,621	3,22,27,295	97,65,098
Computer Software	3	17,80,500	-	-	17,80,500	11,59,651	3,92,128		15,51,779	2,28,721	6,20,849
Total		3,64,10,314	4,35,00,727	4,91,494	7,94,19,547	2,08,51,051	2,23,30,415	51,880	4,31,29,586	3,62,89,961	1,55,59,263
C. Capital Work In Progress											
Website & App Development		-	4,99,65,819	2,56,92,489	4,45,17,050	3,11,41,258	-	-	-	3,11,41,258	4,99,65,819
Grand Total		11,00,77,228	7,02,14,779	4,50,08,545	13,52,83,463	3,45,48,907	2,79,88,594	51,880	6,24,85,621	7,27,97,842	7,55,28,321
Previous Year Total		4,45,17,453	7,72,25,392	1,16,65,617	11,00,77,228	1,74,64,254	1,71,17,654	33,002	3,45,48,907	7,55,28,321	2,70,53,208

*Useful life of office equipments other than mobile is 5 years and of mobile is 1 year

Digikredit Finance Private Limited

CIN: U65100MH2013PTC250061

Note: 1

Notes forming part of financial statements

As at 31st March 2021

1) SIGNIFICANT ACCOUNTING POLICIES

1) Basis of preparation of financial statements

The Company was incorporated on 13th November 2013 as a Private Limited Company (CIN. U65100MH2013PTC250061) as Amadeus Advisors Private Limited and changed its name to Digikredit Finance Private Limited under the Companies Act, 1956. It has got registered as NBFC with RBI registration number N-13.02223 dated 7th February 2018. It is into the business of lending loans to Small Medium Enterprises (SME). The principle objective to make available the working capital easily accessible to growing SMEs.

The financial statements have been prepared to comply in all material respects with the Accounting Standards specified under 143(10) of the Companies Act, 2013 ("the Act") and the relevant provisions of the Act. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

2) Use of Estimates

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of asset and liabilities on the date of Financial Statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

3) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition for its intended use, less accumulated depreciation.

Intangible Fixed Assets

Intangible fixed assets comprising of Website and related Apps which are stated at cost of development including any cost attributable for recognition less accumulated amortization over its useful life.

Capital Work in Progress

Expenditure incurred during the development period on the tech and data analytics projects under implementation excluding expenditures incurred on Research of such projects are included under 'Capital Work in Progress'. Expenditures which are included in Capital work in progress are Salary of employees apportioned on the basis of number of hours dedicated by them on a particular project and rent of the premises based on the number of employees sit for the development of projects. These expenses are apportioned to Intangible assets on completion of the associated project. Capital Work in Progress is stated at the amount incurred upto the date of Balance Sheet.

4) Depreciation

As per AS 10 Depreciation on Property, Plant and Equipment begins when asset is to available to use. The Company provides Depreciation on the Property, Plant and Equipment from when asset is put to use.

The Company provides depreciation on fixed assets on written down value basis, the asset shall be depreciated over its useful life as given in Annexure I as per part "C" of schedule II of the Companies Act 2013. Where the remaining useful life of the asset is Nil, 5% of the cost of the asset shall be shown as the residual value and the remaining balance shall be recognized as retained earnings in surplus in statement of profit and loss under the head reserves and surplus. The useful lives of the fixed assets (including intangibles) are as follows:

Nature of assets	Estimated useful life
Intangible Assets (excluding Website)	3 years
Website	10 years
Office Equipment other than Mobiles	5 years
Office Equipment – Mobiles	1 year
Computers and data processing units - End user Devices such as Desktops, Laptops, etc.	3 years
Furniture and Fixtures	10 years

5) Investments

Long-term investments are stated at cost. However, when there is a decline, other than temporary, in the value of long-term investment, the carrying amount is reduced to recognize the decline.

6) Revenue recognition

Sales of services are recorded at net of taxes collected/payable less service returned and/or rate difference, if any. Revenue is recognized when risk and rewards in respect of ownership are transferred to the buyer under the terms of the contract which usually coincide with the provision of services to the customer or when they are unconditionally appropriated under the terms of sale of services.

- a.) Processing Fee Income (net of Goods and Service Tax) is accounted at the time of loan disbursements.
- b.) Service Fee Income (net of Goods and Service Tax) is the processing fee and interest income on partner book and the same is accounted on an accrual basis in accordance with the terms and conditions entered into between the Company and the Partner.
- c.) Interest Income from loans is recognized on accrual basis, except in the case of non-performing assets where it is recognized, upon realization, as per the Prudential Norms / Directions of RBI, applicable to NBFCs.
- d.) Profit/loss earned on sale of investments is recognized on trade date basis. Profit/loss on sale of investments is determined based on weighted average cost of investments sold.
- e.) Penal Interest Income on delayed EMI or Pre-EMI and charges levied like cheque bouncing charges, etc. are recognized on receipt basis.
- f.) Interest income on fixed deposits with banks is recognized on time proportion basis.
- g.) The Company recognizes Excess Interest Spread (EIS) on securitization transactions in line with RBI circular “Revisions to the Guidelines on Securitisation Transactions” issued on 21 August 2012 which requires recognition of EIS only when redeemed in cash.
- h.) All other revenue is recognised on accrual basis and no significant uncertainty exists as to its realization or collection.

7) Securitisation / Assignment Loans

Securitized / Assigned assets are derecognised if the Company loses control over the contractual rights that comprise the corresponding pools or mortgages transferred. Transfers of pools of mortgages under the current programs involve transfer of proportionate shares in the pools of mortgages. Such transfers result in de-recognition only of that proportion of the mortgages that meet the de-recognition criteria. The portion retained by the Company continues to be accounted for as loans as described above as stated in the “Revisions to the Guidelines on Securitisation Transactions” issued on 21 August 2012.

8) Earning per share

The basic earnings per share is computed by dividing the net profit/(loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit/(loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the

reporting period considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares

9) Foreign currency transactions

Foreign exchange transactions are recorded at the rates of exchange prevailing on the date of the respective transactions. Exchange differences, if any, arising on foreign exchange transactions settled during the year are recognized in the Statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the year-end exchange rates. Exchange differences, if any, are recognized in the Statement of profit and loss and the related assets and liabilities are accordingly restated in the balance sheet.

10) Taxation

Tax expense comprises of 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 current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The Company provides for current income tax in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that the assets can be realized in future; however, in case of unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realized.

11) Provision, Contingent Liabilities and Contingent Asset

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimates can be made. Provisions are not discounted to present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A contingent Liability is disclosed, unless the possibility of resources embodying the economic benefit is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

Provision for Standard Asset has been provided 0.40% Of the Outstanding Loan and Advances amount and 5.4% of the Outstanding Loan and Advances amount in case of MSME restructured loans.

Provision for NPA on products namely Unsecured business loans and Loan Against Property V2 and Micro has been provided as per following:

More than 90days but less than121 days	25%
More than 120 days but less than151 days	50%
More than 150 days but less than181 days	75%
More than 180 days	100%

Provision for NPA on Loan against Property except Loan Against Property V2 and Micro has been provided as per

following:

More than 90days but less than 181 days	10%
More than 180 days but less than 271 days	20%
More than 270 days but less than 361 days	30%
More than 360 days	50%

The company upto 31st March, 2020 had recognized First Loss Default Guarantee (FLDG) on actual payment basis,i.e, entire principal outstanding amount was paid to the partner once DPD crosses 90 days. However, following changes to the accounting policy in the current year, the management of the company has recognized First Loss Default Guarantee (FLDG) consistent with the provisions made on its own book, standard and NPA portfolio, as mentioned above.

In terms of the RBI circular DOR.No.BP.BC.47/21.04.048/2019-20 dated 27th March,2020 the lending institutions were permitted to grant moratorium of 3 months on payment of all term loan installments falling due between 1st March 2020 and 31st May 2020 and in terms of the RBI circular DOR.No.BP.BC.71/21.04.048/2019-20 dated 23rd May,2020 the lending institutions were permitted to extend the moratorium by another three months i.e. from June 1, 2020 to August 31, 2020

In respect of accounts in default but standard where provisions of moratorium are applicable lending institutions shall make provisions of not less than 10 percent of the total outstanding of such accounts, to be phased over two quarters as under:

Quarter ending 31st March,2020: not less than 5%

Quarter ending 30th June,2020: not less than 5%

The above provisions were adjusted against the actual provisioning requirements for slippages from the accounts reckoned for such provisions as at 31st March, 21. The residual provisions at the end of the financial year has been adjusted against the provisions required for all other accounts.

12) **Employees Benefit Expenses**

The accounting policy followed by the Company in respect of its employee benefit schemes in accordance with Accounting Standard 15 (Revised 2005), is set out below:

Provident Fund:

The company contributes to a recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the statement of profit and loss.

Gratuity:

The Company has made a provision for gratuity by debiting to profit & loss account and creating a liability on estimated basis. Provision for gratuity to employees made at the year end is calculated at a rate of 15 days salary based on salary last drawn by the employee concerned for every completed year of service or a part thereof exceeding 6 months. Actuarial Valuation as per AS 15 is applicable.

Provident Fund & ESIC are defined benefits scheme and the contributions of employer are charged to profit/loss account on accrual basis.

The principal rules for Gratuity are summarized as below:

Normal retirement Age:	60 Years
Salary for calculation of Gratuity:	Last drawn basic salary
Vesting Period:	5 Years
Benefit on normal retirement:	$15/26 \times \text{salary} \times \text{no of years of completed service}$
Ceiling on Gratuity:	Rs.20,00,000

13) Borrowing Costs

Borrowing costs consist of interest and other ancillary cost that the company incurs in connection with the borrowing of funds. Borrowing costs are recognized as expense in the period in which they are incurred.

14) Cash and Cash equivalents

Cash and Cash equivalents includes cash in hand, demand deposits with banks and other fixed deposits with bank with original maturities of twelve months or less.

15) Operating Lease

Where the Company is Lessee

Leases under which all the risks and benefit of ownership are effectively retained by the lessor are classified as operating leases. Amount due under the operating leases are charged to the Statement of Profit and Loss, on a straight-line method over the lease term in accordance with Accounting Standard 19 on 'Leases'.

Digikredit Finance Private Limited

CIN: U65100MH2013PTC250061

Notes forming part of financial statements

As at 31st March 2021

1. In the opinion of management, the Current Assets, Loans, and Advance have value on realization in the ordinary course of business, at which they have stated in the Balance Sheet. The provision for depreciation and known liabilities is adequate and not in excess of what is required.

2. Payments to Auditors (Excluding Tax):

Particulars	2020 – 2021	2019 – 2020
1. Statutory Audit	3,40,000	4,00,000
2. GST audit	75,000	75,000
3. For Company Matters	92,500	1,57,500

3. Earnings Per Share:

Basic Earnings per share is computed and disclosed using weighted average number of common shares outstanding during the year.

Particulars	2020 – 2021	2019 – 2020
(a) Profit/(Loss) After Tax	(49,05,99,186)	(39,21,42,897)
(b) Total Equity Shares	23,97,181	23,97,171
(c) Weighted Average Number of Equity Shares (Basic)	23,97,175	22,92,024
(c) Weighted Average Number of Equity Shares (Diluted)	55,26,802	40,09,605
Face Value of Equity Shares	10	10
Basic Earnings per share (a/c)	(204.66)	(171.09)
Diluted Earnings per share (a/d)	(88.77)	(97.80)

Calculation of Weighted Average Number of Shares (Basic)

Particulars	2020 – 2021	2019 – 2020
a. Opening Balance of Equity Shares	23,97,171	22,76,083
b. Equity Shares Issued During The Year	10	71,252 49,836
c. Date of Issue	3 rd November, 2020	29 th January, 2020 5 th March, 2020
d. Opening Balance O/S	365	366
e. Fresh Issue Outstanding	149 days	63 days 27 days
f. Product (a*d) + (b*e)	87,49,68,905	83,91,44,346
g. Weighted Average of Equity Shares (f/d)	23,97,175	22,92,024

Calculation of Weighted Average Number of Shares (Diluted)

Particulars	2020 – 2021	2018 – 2019
a. Weighted Average of Equity shares (Basic)	23,97,175	22,92,024
b. Opening Balance of Preference Shares and ESOP	29,43,638 1,67,375	14,97,707 86,375
c. Preference Shares and ESOP Issued/(Lapsed) /*(Converted) During the Year	(10)* 32,000 (15,000) 10,000 (4,000) (3,000) (10,000)	10,89,790 3,56,141 81,000
d. Date of Issue/(Lapse)	22 nd September, 2020 19 th June, 2020 18 th August, 2020 25 th September, 2020 31 st October, 2020 31 st January, 2021 23 rd March, 2021	5 th March 2020 17 th March, 2020 10 th October, 2019
e. Opening Balance O/S	365	366
f. Fresh Preference share and ESOP Issue/(Lapsed) Outstanding	191 days 287 days 226 days 188 days 152 days 60 days 9 days	27 days 15 days 174 days
g. Product (b*e) + (c*f)	1,14,23,13,835	62,86,34,457
h. Weighted Average of Preference Shares and ESOP (g/e)	31,29,627	17,17,580
i. Weighted Average (a+h)	55,26,802	40,09,605

4. Employee Stock Option Plan: -

The Company has reserved issuance of 2,15,000 Equity Shares of Rs. 10 each for offering to Eligible Employees of the Company. During the year the company has granted 16,000 options at a price Rs.10 per option and 16,000 options (PY 1,06,,000 options) at a price Rs.456.63 per option on 19th June 2020 and 10,000 options at a price of Rs 456.33 per option on 25th September, 2020. The options granted on 19th June 2020 would vest at the end of 1 year from the date of grant of options i.e. 18th June 2021 and the options granted on 25th September 2020 would vest at the end of 3 years from the date of grant of options i.e. 24th September 2023

Employees Stock Options and Shares Plan (ESOP): The excess of the market price of the shares at the date of grant of options under the ESOP, over the exercise price, shall be treated as Employee Compensation Expense and amortized on a straight line basis over the vesting period of option.

ESOP Disclosures

Sr. No.	Employee Stock Option Details	ESOS 2015		ESOS 2019	
		As on March 31, 2021	As on March 31, 2020	As on March 31, 2021	As on March 31, 2020
1	Options Granted	122375	106375	132000	106000
2	Options Vested	73375	36000	0	0
3	Options Exercised	0	0	0	0
4	The total number of shares arising as a result of exercise of option;	0	0	0	0
5	Options lapsed	26000	20000	51000	25000
6	The exercise price	10	10	456.63	456.63
7	Variation of terms of options	NA	NA	NA	NA
8	Money realized by exercise of options	0	0	0	0
9	Total number of options in force	96375	86375	81000	81000

5. Disclosure pursuant to Accounting Standard 15 (Revised) – Employee Benefits

A) Defined Contribution plan (Provident Fund):

Amount of Rs. 1,64,23,764 (previous year Rs. 1,66,90,464) is recognized as expenses and included in “Employee Benefit Expense.”

B) Defined Benefit Plan (Gratuity):

The amount recognized in the balance sheet are as follows:

Particulars	2021	2020
Present value of DBO at the start of the year	1,26,25,737	42,18,610
Current Service Cost	42,66,732	84,07,127
Present value of DBO at the end of the year	1,68,92,469	1,26,25,737
Of which short term provision	2,34,690	4,38,610

Principal actuarial assumption at the Balance Sheet date:

Particulars	As at 31-03-2021	As at 31-03-2020
Salary Growth Rate	10% p.a.	10% p.a.
Discount rate	6.57% p.a.	7.64% p.a.
Withdrawal/Attrition rate	10% p.a. for all service groups	10% p.a. for all service groups
Mortality rate	IALM(2006-08)	IALM(2006-08)

Expected average remaining working lives of employees	8 years	8 years
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6. Deferred Taxation:

Deferred taxes are calculated on all temporary differences under the liability method as there is reasonable certainty of profits in next financial year. The break up of deferred tax assets and liabilities are given below:

Particulars	2020-21	2019-20
Difference in WDV of Fixed Assets	Rs. (1,83,19,074)/-	Rs. (36,02,479)/-
Carry forward losses	Rs. 30,00,00,000/-	Rs. 32,99,31,177/-
Provision for Lease Equalization	Rs. 16,17,615/-	Rs. 14,96,381/-
Provision for Gratuity	Rs. 1,68,92,469/-	Rs. 1,26,25,737/-
Provision for NPA	Rs. 3,53,91,524/-	Rs. 1,22,18,734/-
Provision for Standard Asset	Rs. 1,71,22,144/-	Rs. 90,29,423/-
Deferred Tax Assets (Tax Rate 22.88%) (PY 22.88%)	Rs. 8,90,81,639/-	Rs. 8,44,05,219/-

7. Segment Reporting:

The company being NBFC is mainly engaged in the business of lending and financing activities in India. All activities of the company revolve around this main business, and as such there are no reportable segments as per Accounting Standard (AS) 17 on “Segment reporting.”

8. Remuneration of Directors:

The company has not given any remuneration to non-executive directors during the year

9. Corporate Social Responsibility:

CSR expenditure include expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: Rs NIL (Previous year Rs NIL).

Gross amount required to be spent as per aforesaid provision is Rs NIL.

10. Details of due to micro enterprise and small enterprise:

Trade payables includes Rs 22,25,164 (Previous Year Rs 13,71,229) payable to “suppliers” registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid/is payable by the company during the year to “suppliers” registered under this Act.

11. Foreign Currency:

The company has not undertaken any foreign currency transaction during the year ended 31st March 2021 (Previous Year NIL)

12. Disclosure of Restructured Accounts:

Disclosure of restructured accounts are furnished vide Annexure I

13. Securitisation Disclosure:

Disclosures in the notes to the accounts in respect of securitization transactions as required under revised guidelines on securitization transactions issued by RBI vide circular no.DNBS.PD.No.301/3.10.01/2012-13 dated August 21, 2012

Sr. No.	Particulars	As at 31st March 2021	As at 31st March 2020
1	No of SPVs sponsored by the NBFC for securitisation transactions	5.00	3.00
2	Total amount of securitised assets as per books of the SPVs sponsored by the NBFC	25,13,55,941	28,58,90,889
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	-	-
	Others	8,22,22,739	4,27,62,497
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	3,62,37,284	2,23,60,873
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

14. Operating Leases:

The company has taken premises on operating lease. Terms of the lease include terms for renewal, increase in rents in future periods and terms of cancellation. Gross rental expenses for the year ended March 31, 2021 aggregated to Rs 2,30,10,760 (Previous year Rs 2,49,89,962) which has been included under the head 'Other Expenses - Rent' in the statement of profit and loss.

Details of future minimum lease payments for the non-cancellable operating lease are as follows:

Future minimum Lease payments for non-cancellable lease	For the year ended 31 March,2021	For the year ended 31 March,2020
i) not later than one year	2,25,00,862	2,81,64,706
ii) later than one year and not later than five years	3,40,12,413	7,02,50,286
iii) later than five years	-	-

15. Fraud Reporting:

There are no instances of fraud identified and reported during the year (Previous year NIL) as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016

16. Details of single borrower limit and group borrower limit exceeded by the Company:

During the year ended 31 March 2021 and 31 March 2020, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

17. Unsecured Advances:

The Company has not taken any charge over the rights, licenses, authorization, etc. against unsecured loans given to borrowers.

18. Disclosures of penalties imposed by RBI and other regulators:

No penalties have been imposed by RBI and other regulators during the financial year 2020-21 (Previous Year NIL)

19. Details of 'Provisions and Contingencies':

Breakup of 'Provisions and Contingencies' shown under the head expenditure in statement of profit and loss	For the year ended 31 March, 2021	For the year ended 31 March, 2020
i) Provisions for depreciation on investment	-	-
ii) Provision towards NPA	2,31,72,790	1,01,89,345
iii) Provision towards deferred tax	46,76,419	64,65,116
iv) Provision for standard assets	80,92,721	54,49,885

20. Movement in Non-Performing Assets:

The following table sets forth, for the period indicated, the details of movement of Gross Non-Performing Assets (NPAs), net NPAs and provision.

Sr. No	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2020
i)	Net NPAs to net advances (%)	0.87%	1.21%
ii)	Movement of NPAs (Gross)		
	a) Opening Balance	2,66,77,220	55,38,918
	b) Additions during the year	5,26,70,595	2,66,77,220
	c) Reductions during the year	(2,66,77,220)	(55,38,918)
	d) Closing Balance	5,26,70,595	2,66,77,220
iii)	Movement of NPA		
	a) Opening Balance	1,44,58,486	35,09,529
	b) Additions during the year (Net)	28,20,588	1,44,58,486
	c) Reductions during the year	0	(35,09,529)
	d) Closing Balance	1,72,79,074	1,44,58,486
iv)	Movement of provision for NPA		
	a) Opening Balance	1,22,18,734	20,29,390
	b) Additions during the year	6,01,22,958	1,22,18,734
	c) Reductions during the year	(3,69,50,171)	(20,29,390)
	d) Closing Balance	3,53,91,524	1,22,18,734

Note : Addition to NPA provision includes provision on off book portfolio of Rs 3,11,02,230

21. Related Party Transactions:

a) List of Related Parties and Relationships:

Sr.No	Party	Relation
A)	Mr. Samir Vijay Bhatia	Director
B)	Mr. Amit Garg (upto April 6, 2020)	Director
C)	Mr. Bharat Shah	Director

Details of related party transaction year ended 31st March, 2021 & balances outstanding as at year end.

Name of Party	Nature of Transaction	31 st March,	31 st March,
		2021	2020
	<u>Transactions in nature of expenses</u>		
Samir Bhatia	Salary	0	18,00,000
	Cost Reimbursement	0	1,05,833
Amit Garg	Salary	0	93,75,003
	Cost Reimbursement	0	2,83,067
	<u>Issue of Shares</u>		
Bharat Shah	28,467 Equity shares of Rs. 10/-each at a premium of Rs.691.97	0	1,99,82,980
Samir Bhatia	71,252 Equity shares of Rs. 10/- each at a premium of Rs. 691.97	0	5,00,16,766

22. Contingent Liabilities & Other Commitments:

- a) Cumulative Preference dividend on 0.001% Compulsory Convertible preference shares is in arrears for last three years which amounts to Rs. 583.31/- (exclusive of Dividend distribution tax payable on distribution) PY (Rs. 288.65/-)

23. Public Disclosure on Liquidity Risk:

i) Funding Concentration based on significant counterparty (both deposits and borrowings) :

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
20	1,78,51,12,457	NA	84.16%

Note : Total Liabilities represent Total Liabilities as per Balance Sheet less Total Equity

ii) Top 20 Large deposits – NA

iii) Top 10 Borrowings:

Particulars	Amount	% of Total Borrowings
Top 10 Borrowings	1,50,65,64,245	84.40%

iv) Funding Concentration based on significant instrument/product:

Name of the instrument/product	Amount	% of Total Liabilities
Non-convertible debentures	24,00,00,000	11.31%
Term Loan	1,54,51,12,457	72.85%

Note : Total Liabilities represent Total Liabilities as per Balance Sheet less Total Equity

v) Stock Ratios:

Particulars	Percentage
Commercial papers as a % of total liabilities	Nil
Commercial papers as a % of total assets	Nil
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.47%
Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.34%
Other short-term liabilities* as a % of total liabilities	11.31%
Other short-term liabilities* as a % of total assets	8.16%

* Short Term liabilities means total of current liabilities as per note 6,7 and 8 to the financial statements.

Note : Total Liabilities represent Total Liabilities as per Balance Sheet less Total Equity

vi) Institutional set-up for Liquidity Risk Management:

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk.

The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company.

Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk return perspective and within the risk appetite and guard-rails approved by the Board.

The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board.

ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a quarter.

24. Disclosure pursuant to Reserve Bank of India Circular No. RBI/2019-20/220 DOR.NO.BPBC.63/21.04.048/2019-20 Dated April 17, 2020:

Sr. No	Particulars	As at March 31, 2021	As at March 31, 2020
1	Respective amounts in SMA/overdue categories, where the moratorium/ deferment was extended *	94,89,840	3,00,36,542
2	Respective amount where asset classification benefits is extended **	0	4,47,893
3	Provision made during Q4 FY2020 and Q1 FY2021 in terms of paragraph 5 (as on Jun 30, 2020)	47,55,350	46,44,521
4	Provisions adjusted during the respective accounting periods against slippages and the residual provisions	47,55,350	0
5	Residual provisions in terms of paragraph 6 of the circular	0	0

* Outstanding as on March 31, 2021 and March 31, 2020 respectively on account of all cases where moratorium benefit was extended by the Company up to August 31, 2020.

**There are Nil accounts where asset classification benefit is extended till March 31, 2021. Post the moratorium period, the movement of ageing has been at actuals.

25. Disclosure pursuant to Reserve Bank of India Circular No. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/ 2020-21 dated August 6, 2020 on resolution framework for Covid-19 Related Stress:

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan **
Personal Loans	0	0	0	0	0
Corporate Loans **	23	2,77,92,409	0	0	11,05,340
of which, MSME's	23	2,77,92,409	0	0	11,05,340
Others	246	13,88,21,058	0	0	17,07,045
Total	269	16,66,13,467	0	0	28,12,385

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

**Increase in provision is as on March 31, 21 compared to the provision as on the preceding month of restructuring.

26. Previous year's figures have been regrouped wherever necessary.

27. Note to the balance sheet of a non-deposit taking non-banking financial company as required in terms of paragraph 18 of Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 is furnished vide Annexure- II attached herewith.

For C. M. Gabhawala & Co
Chartered Accountants.
FRN No: 102870W.

BIREN
CHANDRAKANT
GABHAWALA

Biren C. Gabhawala
Partner
Mem. No: 040496
UDIN:
Place: Mumbai
Date: 07th July, 2021

For Digikredit Finance Private Limited

SAMIR VIJAY
BHATIA

Samir Bhatia
Chairman
(DIN:01769655)

ASHISH
SHANTILAL
RANKA

Ashish Ranka
Chief Financial Officer

Sr. No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total					
	Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	269	-	-	-	-	269	-	-	-	-	269
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	166,613,467	-	-	-	-	166,613,467	-	-	-	-	166,613,467
		Provision thereon	-	-	-	-	-	-	-	-	-	-	8,997,127	-	-	-	-	8,997,127	-	-	-	-	8,997,127
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight. at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradation s of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	269	-	-	-	-	269	-	-	-	-	269
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	166,613,467	-	-	-	-	166,613,467	-	-	-	-	166,613,467
		Provision thereon	-	-	-	-	-	-	-	-	-	-	8,997,127	-	-	-	-	8,997,127	-	-	-	-	8,997,127

Schedule to the Balance Sheet of a NBFC (Annexure II)

Particulars	Amount Outstanding		Amount Overdue	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Liabilities side				
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :				
(a) Debentures (other than falling within the meaning of public deposits)				
(i) Secured	24,15,53,947	-	-	-
(ii) Unsecured	-	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	1,55,19,30,852	1,10,10,30,200	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other Loans (specify nature)	-	-	-	-
Assets side				
(2) Break-up of Loans and Advances including bills receivables [other than those included in (3) below] :				
(a) Secured			8,98,22,790	7,53,55,804
(b) Unsecured			1,94,64,08,696	1,14,01,68,410
(3) Break up of Leased Assets and stock on hire and other assets counting towards asset financing 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) Repossessed Assets			-	-
(iii) Other loans counting towards asset financing activities				
(a) Loans where assets have been repossessed			-	-
(b) Loans other than (a) above			-	-
(4) Break-up of Investments				
Current Investments				
<u>1. Quoted</u>				
(i) Shares				
(a) Equity			-	-
(b) Preference			-	-
(ii) Debentures and Bonds			-	-
(iii) Units of mutual funds			-	-
(iv) Government Securities			-	-
(v) Others (please specify)			-	-
<u>2. Unquoted</u>				
(i) Shares				
(a) Equity			-	-
(b) Preference			-	-
(ii) Debentures and Bonds			-	-
(iii) Units of mutual funds			-	-
(iv) Government Securities			-	-
(v) Others (please specify)			-	-
Long Term investments				
<u>1. Quoted</u>				
(i) Share				
(a) Equity			-	-
(b) Preference			-	-
(ii) Debentures and Bonds			-	-
(iii) Units of mutual funds			-	-
(iv) Government Securities			-	-
(v) Others (please specify)			-	-
<u>2. Unquoted</u>				
(i) Shares				
(a) Equity			-	-
(b) Preference			-	-
(ii) Debentures and Bonds			-	-
(iii) Units of mutual funds			-	-
(iv) Government Securities			-	-
(v) Others (please specify)			-	-

(5) Borrower group-wise classification of assets financed as in (2) and (3) above :						
Category	Amount net of provisions					
	Secured		Unsecured		Total	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2019
1. Related Parties *						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	8,74,31,100	7,41,75,065	1,89,62,86,722	1,12,01,00,993	1,98,37,17,822	1,19,42,76,057
Total						
* As per Accounting Standard of ICAI						
(6) Investor group-wise 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)	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
1. Related Parties *						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	-	-	-	-	-	-
Total	-	-	-	-	-	-
* As per Accounting Standard of ICAI						
(7) Other information						
(i) Gross Non-Performing Assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	-	-	-	-	5,26,70,595	2,66,77,220
(ii) Net Non-Performing Assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	-	-	-	-	1,72,79,074	1,44,58,486
(iii) Assets acquired in satisfaction of debt	-	-	-	-	-	-