THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY. THIS IS NOT A PROSPECTUS ANNOUNCEMENT AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY OUTSIDE INDIA.

FUSION MICRO FINANCE LIMITED

Our Company was originally incorporated as 'Ambience Fincap Private Limited' on September 5, 1994 at New Delhi, India as a private limited company under the Companies Act, 1956, and was granted a certificate of incorporation by Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**"). On January 9, 2003, the RBI granted a certificate of registration bearing registration no. B-14.02857 to our Company, for the registration of our Company as a non-deposit accepting non-banking financial company under Section 45IA of the Reserve Bank of India Act, 1934. Subsequently, the name of our Company was changed to 'Fusion Micro Finance Private Limited' and a fresh certificate of incorporation, dated April 19, 2010 was issued by the RoC to describe the business of the Company, post which the RBI granted a certificate of registration dated May 19, 2010 reflecting the change of name. Our Company was granted an 'NBFC – Microfinance Institution' status by the RBI with effect from January 28, 2014. The name of our Company was further changed to Fusion Micro Finance Limited upon conversion to a public limited company and a fresh certificate of incorporation was issued by the RoC on July 20, 2021, and a modified certificate of registration dated October 1, 2021 bearing registration no. B-14.02857 was issued by the RBI to this effect. For details of changes in the name and registered office address of our Company, see "*History and Certain Corporate Matters*" on page 196 of the Draft Red Herring Prospectus.

Registered Office: H-1, C Block, Community Centre, Naraina Vihar, New Delhi, 110028, India
Corporate Office: Plot no. 86, Institutional Sector 32, Gurugram, Haryana 122001, India
Contact Person: Deepak Madaan, Company Secretary and Compliance Officer; **Tel.**: +91-124-6910500
E-mail: companysecretary@fusionmicrofinance.in; **Website**: www.fusionmicrofinance.com; **Corporate Identity Number**: U65100DL1994PLC061287

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED AUGUST 8, 2021 (THE "DRAFT RED HERRING PROSPECTUS" OR THE "DRHP"): NOTICE TO INVESTORS (THE "ADDENDUM")

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF FUSION MICRO FINANCE LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 6,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE BY DEVESH SACHDEV, MINI SACHDEV, HONEY ROSE INVESTMENT LTD, CREATION INVESTMENTS FUSION, LLC, OIKOCREDIT ECUMENICAL DEVELOPMENT CO-OPERATIVE SOCIETY U.A., AND GLOBAL FINANCIAL INCLUSION FUND, (THE "SELLING SHAREHOLDERS"), OF UP TO 1,300,000 EQUITY SHARES, UP TO 200,000 EQUITY SHARES, UP TO 6,321,375 EQUITY SHARES, UP TO 4,000,000 EQUITY SHARES, UP TO 6,606,375 EQUITY SHARES AND UP TO 3,539,091 EQUITY SHARES, RESPECTIVELY, AGGREGATING UP TO ₹ [●] MILLION ("THE OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE UP TO [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY MAY, IN CONSULTATION WITH THE BRLMS, CONSIDER A PRE-IPO PLACEMENT OF UP TO [●] SPECIFIED SECURITIES FOR CASH CONSIDERATION AGGREGATING UP TO ₹ 1,200 MILLION (THE "PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS AND THE PRE-IPO PLACEMENT, IF ANY, WILL BE UNDERTAKEN PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE NUMBER OF EQUITY SHARES ISSUED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO THE MINIMUM OFFER SIZE CONSTITUTING AT LEAST [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Potential Bidders may note the following:

a. The DRHP contains financial information for financial years ended March 31, 2019, March 31, 2020, and March 31, 2021. Due to lapse of time, and on account of availability of updated financial information, the section titled "*Financial Statements*" beginning on page 230 of the DRHP has been updated to provide recent restated financial information of our Company, as at and for the financial years ended March 31, 2020, March 31, 2021, and March 31, 2022.

b. The "*Selected Statistical Information*" section of the DRHP has been revised for developments in our operational and financial information for the financial year ended March 31, 2022. Further, the "*Industry Overview*" section of the DRHP has been supplemented for developments in our industry for the financial year ended March 31, 2022, and/or for the nine months period ended December 31, 2021. Accordingly, the relevant portions of the section titled "*Industry Overview*" at page 112 of the DRHP and the section titled "*Selected Statistical Information*" at 325 of the DRHP, will be updated to provide these updates.

c. Post filing of the DRHP, there have been certain material updates in relation to the management, business and operational metrics of our Company. Accordingly, such updates have been included in the section titled "*Other Material Updates*" on page 100 of this Addendum.

Potential Bidders may note that in order to assist the Bidders to get a complete understanding of the updated information, the relevant portions of the sections titled "*Industry Overview*" and "*Selected Statistical Information*" of the DRHP have been included in this Addendum.

The above changes are to be read in conjunction with the DRHP and accordingly their references in the DRHP stand amended pursuant to this Addendum. The information in this Addendum supplements the DRHP and updates the information in the DRHP, as applicable. **Please note that the information included in the DRHP, including to the extent stated in this Addendum, will be suitably updated, as may be applicable in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges.** Investors should read the Red Herring Prospectus as and when filed with the RoC, the SEBI and the Stock Exchanges before making an investment decision in the Offer. All capitalised terms used in this Addendum shall, unless specifically defines or unless the context otherwise requires, have the meaning ascribed to them in the DRHP. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the U.S. Securities Act ("**U.S. Persons**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Company has not registered and does not intend to register under the U.S. Investment Company Act of 1940, as amended (the **"U.S. Investment Company Act"**) in reliance upon section 3(c)(7) thereof. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to or for the account or benefit of, U.S. Persons in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("**Rule 144A**") and referred to in the Draft Red Herring Prospectus as "**U.S. QIBs**"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "**QIBs**") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, that are also "qualified purchasers" (as defined under the U.S. Investment Company Act) in reliance upon section 3(c)(7) of the U.S. Investment Company Act and (ii) outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

On behalf of **Fusion Micro Finance Limited**

Place: Gurugram
Date: May 23, 2022

S/d/-
Devesh Sachdev
Managing Director & CEO

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
ICICI Securities	CLSA A CITIC Securities Company	IIFL SECURITIES	JM FINANCIAL	LINK Intime
ICICI Securities Limited ICICI Venture House Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6807 7100 **E-mail:** fusion.ipo@icicisecurities.com **Investor grievance e-mail:** customercare@icicisecurities.com **Contact person:** Shekher Asnani / Kristina Dias **Website:** www.icicisecurities.com **SEBI Registration**: INM000011179	**CLSA India Private Limited** 8/F Dalamal House Nariman Point Mumbai, Maharashtra 400 021, India **Tel:** +91 22 6650 5050 **E-mail:** fusionmicrofinance.ipo@clsa.com **Investor grievance e-mail:** investor.helpdesk@clsa.com **Contact person:** Prachi Chandgothia/ Siddhant Thakur **Website:** www.india.clsa.com **SEBI Registration:** INM000010619	**IIFL Securities Limited** 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West), Mumbai 400 013 Maharashtra, India **Tel:** +91 22 4646 4728 **E-mail:** fusion.ipo@iiflcap.com **Investor grievance e-mail:** ig.ib@iiflcap.com **Contact person:** Dhruv Bhagwat / Vishal Bangard **Website:** www.iiflcap.com **SEBI Registration:** INM000010940	**JM Financial Limited** 7th Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel.:** +91 22 6630 3030 **E-mail**: fusion.ipo@jmfl.com **Investor grievance e-mail:** grievance.ibd@jmfl.com **Contact person:** Prachee Dhuri **Website:** www.jmfl.com **SEBI Registration:** INM000010361	**Link Intime India Private Limited** C 101, 247 Park, L. B. S. Marg Vikhroli (West), Mumbai 400 083 Maharashtra, India **Tel**: +91 22 4918 6200 **E-mail**: fusion.ipo@linkintime.co.in **Investor grievance e-mail**: fusion.ipo@linkintime.co.in **Contact person**: Shanti Gopalkrishnan **Website**: www.linkintime.co.in **SEBI Registration**: INR000004058

BID/OFFER PROGRAMME	
BID/ OFFER OPENS ON: *	[●]
BID/ OFFER CLOSES ON: **	[●]

* *Our Company through its IPO Committee, may, in consultation with the BRLMs, consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investors shall Bid during the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/Offer Opening Date.*

** *Our Company through its IPO Committee, may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.*

TABLE OF CONTENTS

FINANCIAL STATEMENTS

[*Note: This page has been left blank intentionally*.]

Independent Auditors' Examination Report on the Restated Ind AS Statement of Assets and Liabilities as at March 31, 2022, 2021 and 2020 and Restated Ind AS Statement of Profit and Loss (including other comprehensive income), Restated Ind AS Statement of Cash Flows and Restated Ind AS Statement of Changes in Equity, the Statement of Significant Accounting Policies, and other explanatory information for each of the years ended March 31, 2022, 2021 and 2020 of Fusion Micro Finance Limited (collectively, the "Restated Ind AS Summary Statements")

The Board of Directors
Fusion Micro Finance Limited

Dear Sirs,

1. We, S.R. Batliboi & Associates LLP ("we", "us" or "SRBA") have examined the attached Restated Ind AS Summary Statements of Fusion Micro Finance Limited (the "Company"), comprising the Restated Ind AS Statement of Assets and Liabilities as at March 31, 2022, 2021 and 2020, the Restated Ind AS Statements of Profit and Loss (including other comprehensive income), the Restated Ind AS Statement of Changes in Equity, the Restated Ind AS Statement of Cash flows for the years ended March 31, 2022, 2021 and 2020, the Statement of Significant Accounting Policies, and other explanatory information, as approved by the Board of Directors of the Company at their meeting held on May 6, 2022 for the purpose of inclusion in the Addendum to Draft Red Herring Prospectus, Red Herring Prospectus ("RHP") and Prospectus (collectively, the "Offer Documents") prepared by the Company in connection with its proposed Initial Public Offer of equity shares of face value Rs. 10 each ("IPO") through an offer for sale and fresh issue, prepared in terms of the requirements of:

    a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

    b. Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') on September 11, 2018 as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 ("the ICDR Regulations"); and

    c. Guidance note on Reports in Company Prospectuses (Revised 2019) ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI').

2. The Company's Board of Directors is responsible for the preparation of the Restated Ind AS Summary Statements for the purpose of inclusion in the Offer Documents to be filed with Registrar of Companies, Delhi, SEBI, the stock exchanges where the equity shares of the Company are proposed to be listed ("Stock Exchanges") in connection with the proposed IPO. The Restated Ind AS Summary Statements have been prepared by the management of the Company on the basis of preparation, as stated in note 1A of Annexure – 5 to the Restated Ind AS Summary Statements. The responsibility of Board of Directors of the company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Summary Statements. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Ind AS Summary Statements taking into consideration:

    a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated May 21, 2021 in connection with the proposed IPO of equity shares of the Company;

    b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

    c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Ind AS Summary Statements; and

    d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO.

4. These Restated Ind AS Summary Statements have been compiled by the management from Audited financial statements of the Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on May 6, 2022, May 26, 2021 and June 22, 2020 respectively.

5. For the purpose of our examination, we have relied on the Auditors' reports issued by us dated May 6, 2022, May 26, 2021 and June 22, 2020 on the financial statements of the Company as at and for the years ended March 31, 2022, 2021 and 2020 as referred in paragraph 4 above.

6. The audit reports on the financial statements issued by us includes the following emphasis of matter paragraphs on the financial statements as at and for the years ended March 31, 2022, 2021 and 2020:

For the Year ended March 31, 2022

Emphasis of matter

We draw attention to Note 53 of the financial statements which describes the impact of economic and social consequences of the CoVID-19 pandemic on the Company's business and financial metrics, which continues to be dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

For the Year ended March 31, 2021

Emphasis of matter

We draw attention to Note 53 of the financial statements which describes the impact of economic and social consequences of the COVID-19 pandemic on the Company's business and financial metrics which continue to be dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

For the Year ended March 31, 2020

Emphasis of matter

We draw attention to Note 54 of the financial statements, which describes the extent to which COVID-19 pandemic impact the Company's operations and financial results will depend on the future developments, which are largely uncertain. Our opinion is not modified in respect of this matter.

7. Based on our examination and according to the information and explanations given to us for the respective years, we report that:

   a. the Restated Ind AS Summary Statements have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the respective financial years to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2022 as more fully described in Note A of Annexure 7 to the Restated Ind AS Summary Statements;

   b. there are no qualifications requiring adjustments in the auditors' reports on the audited financial statements of the Company as at and for the years ended March 31, 2022, 2021 and 2020. Qualifications included in the Annexure A to the Auditor's Report issued under Companies (Auditor's Report) Order, 2016 for the year ended March 31, 2021 and March 31, 2020 and Companies (Auditor's Report) Order, 2020 for the year ended March 31, 2022, as applicable, issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Ind AS Summary Statements have been disclosed in Annexure 7 to the Restated Ind AS Summary Statements; and

   c. the Restated Ind AS Summary Statements have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2022. Accordingly, we express no opinion on the financial position, profit and loss or cash flow of the Company as of any date or for any period subsequent to March 31, 2022.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the Addendum to Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus to be filed with SEBI, Registrar of Companies, Delhi and Stock Exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Amit Kabra
Partner
Membership Number: 094533

UDIN: 22094533AINEDC6388
Gurugram
May 6, 2022

Fusion Micro Finance Limited (formerly known as Fusion Micro Finance Private Limited)
Annexure 1- Restated Ind AS Statement of Assets and Liabilities

(Rs in millions unless otherwise stated)

Particulars	Annexure 6 Notes	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Assets				
Financial assets				
Cash and cash equivalents	3	10,113.72	12,154.20	5,396.67
Bank balances other than cash and cash equivalents	4	1,422.26	1,198.36	2,780.82
Trade receivables	5	43.42	27.93	31.39
Loans	6	59,181.94	43,607.30	33,429.73
Investments	7	-	-	5.00
Other financial assets	8	668.65	300.76	238.46
Total financial assets		**71,429.99**	**57,288.55**	**41,882.07**
Non-financial assets				
Current tax assets (net)	9	353.61	119.58	119.09
Deferred tax assets (net)	10	867.56	765.28	305.02
Property, plant and equipment	11	122.04	102.74	58.98
Right of use asset	12	69.17	78.19	-
Intangible assets	13	0.71	1.90	1.47
Other non-financial assets	14	61.74	23.09	33.31
Total Non-financial assets		**1,474.83**	**1,090.78**	**517.87**
Total assets		**72,904.82**	**58,379.33**	**42,399.94**
Liabilities and equity				
Liabilities				
Financial liabilities				
Derivative financial instrument	15	77.11	-	-
Trade payables				
total outstanding dues of micro enterprises and small	16	-	-	-
total outstanding dues of creditors other than micro enterprises	16	176.59	113.06	40.71
Debt securities	17	7,837.76	9,904.50	3,998.98
Borrowings (other than debt securities)	18	48,294.66	33,250.79	24,571.58
Subordinated liabilities	19	1,625.67	1,167.21	1,166.29
Other financial liabilities	20	1,334.32	1,265.98	513.28
Total financial liabilities		**59,346.11**	**45,701.54**	**30,290.84**
Non-financial liabilities				
Current tax liabilities (net)	21	1.04	53.98	0.53
Provisions	22	71.68	80.76	57.72
Other non-financial liabilities	23	106.48	79.50	61.96
Total non-financial liabilities		**179.20**	**214.24**	**120.21**
Total liabilities		**59,525.31**	**45,915.78**	**30,411.05**
Equity				
Equity share capital	25	827.60	790.37	789.50
Other equity	26	12,551.91	11,673.18	11,199.39
Total equity		**13,379.51**	**12,463.55**	**11,988.89**
Total liabilities and equity		**72,904.82**	**58,379.33**	**42,399.94**

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure 5, notes to the Restated Ind AS Summary Statements appearing in Annexure 6 and Statement on Adjustments to Audited Financial Statements appearing in Annexure 7.

As per our report of even date

for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Amit Kabra
Partner
Membership Number : 094533

Place: Gurugram
Date : May 06, 2022

for and on behalf of the Board of Directors of
Fusion Micro Finance Limited
CIN:U65100DL1994PLC061287

Devesh Sachdev
MD and CEO
DIN : 02547111

Ratna Dharashree Vishwanathan
Director
DIN : 07278291

Deepak Madaan
Company Secretary and Compliance Officer

Gaurav Maheshwari
Chief Financial Officer

Place: Gurugram
Date : May 06, 2022

Fusion Micro Finance Limited (formerly known as Fusion Micro Finance Private Limited)
Annexure 2- Restated Ind AS Statement of Profit and Loss (including other comprehensive income)

(Rs in millions unless otherwise stated)

Particulars	Annexure 6 Notes	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations				
Interest income	27	10,643.19	8,275.64	6,664.88
Fees and commission income	28	13.86	7.19	34.64
Net gain on fair value changes	29	247.65	167.45	231.57
Net gain on derecognition of financial instruments under amortised cost category	30	607.95	107.84	271.55
Total revenue from operations		**11,512.65**	**8,558.12**	**7,202.64**
Other income	31	500.84	172.76	100.47
Total income		**12,013.49**	**8,730.88**	**7,303.11**
Expenses				
Finance costs	32	4,959.64	3,751.04	3,376.72
Impairment on financial instruments	33	3,686.93	2,207.80	926.99
Employee benefits expenses	34	2,330.66	1,686.40	1,483.33
Depreciation and amortization	11-13	53.71	38.94	25.76
Other expenses	35	738.29	478.79	490.36
Total expenses		**11,769.23**	**8,162.97**	**6,303.16**
Profit before tax		**244.26**	**567.91**	**999.95**
Tax expense:				
Current tax	36	129.77	588.71	395.99
Deferred tax	36	(103.06)	(460.24)	(92.14)
Profit for the year		**217.55**	**439.44**	**696.10**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement gains on defined benefit plans		2.96	0.04	6.46
Income tax effect on above		(0.74)	(0.01)	(1.40)
Total other comprehensive income for the year		2.22	0.03	5.06
Total comprehensive income for the year		**219.77**	**439.47**	**701.16**
Earnings per equity share (equity share par value of Rs.10 each)				
Basic (Rs)	37	2.67	5.56	10.47
Diluted (Rs)	37	2.64	5.49	10.32

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure 5, notes to the Restated Ind AS Summary Statements appearing in Annexure 6 and Statement on Adjustments to Audited Financial Statements appearing in Annexure 7.

As per our report of even date

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Amit Kabra
Partner
Membership Number : 094533

Place: Gurugram
Date : May 06, 2022

for and on behalf of the Board of Directors of
Fusion Micro Finance Limited
CIN:U65100DL1994PLC061287

Devesh Sachdev
MD and CEO
DIN : 02547111

Ratna Dharashree Vishwanathan
Director
DIN : 07278291

Deepak Madaan
Company Secretary and Compliance Officer

Gaurav Maheshwari
Chief Financial Officer

Place: Gurugram
Date : May 06, 2022

Fusion Micro Finance Limited (formerly known as Fusion Micro Finance Private Limited)
Annexure 3- Restated Ind AS Statement of Cash Flows

(Rs in millions unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
I. Cash flow from operating activities			
Profit before tax	**244.26**	**567.91**	**999.95**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation	53.71	38.94	25.76
Impairment of financial instruments	3,686.93	2,207.80	926.99
Finance cost on lease liability	8.88	5.30	-
Provision for gratuity	26.07	17.90	19.17
Provision for compensated absences	21.38	20.31	15.40
Other provisions	(27.51)	2.73	(10.58)
Net gain on change in fair value of mutual funds	(247.65)	(167.45)	(231.57)
Net gain on derecognition of financial instruments under amortised cost category	(607.95)	(128.15)	(126.80)
Employee share based payment expense	39.24	30.40	34.67
Amortisation of processing fees	(57.31)	(5.88)	1.18
Net foreign exchange differences	(43.81)	-	-
Fair value loss on derivative financial instruments	77.11	-	-
(Profit)/loss on sale of assets	-	(1.00)	0.08
Operating cash flow before working capital changes	**3,173.35**	**2,588.81**	**1,654.25**
Movement in working capital:			
Increase in loans	(19,259.56)	(12,374.28)	(8,623.03)
(Increase)/decrease in trade receivables	(15.49)	3.46	(25.30)
Decrease/(increase) in other financial assets	213.99	47.95	(33.59)
Decrease/(increase) in other non- financial assets	(38.65)	10.22	(9.86)
Decrease/(increase) in bank balances other than cash and cash equivalents	(225.91)	1,571.37	(128.94)
Increase/(decrease) in trade payables	63.60	72.36	(1.17)
Increase in other financial liability	71.15	668.07	94.16
Increase in other non-financial liability	26.98	17.54	15.46
Cash flow from (used in) operations	**(15,990.54)**	**(7,394.50)**	**(7,058.02)**
Income tax paid	(416.74)	(535.75)	(436.30)
Net cash flow from (used in) operating activities (A)	**(16,407.28)**	**(7,930.25)**	**(7,494.32)**
II. Cash flow from investing activities			
Purchase of property, plant and equipments	(62.77)	(75.41)	(29.57)
Proceeds from sale of property, plant and equipment	-	0.99	-
Purchase of intangible assets	(0.05)	(2.45)	(1.48)
Purchase of investments	(67,650.00)	(43,330.00)	(50,014.24)
Proceeds from sale of investments	67,897.65	43,502.45	50,245.81
Net cash flow from investing activities (B)	**184.83**	**95.58**	**200.52**
III. Cash flow from financing activities			
Proceeds from issue of equity shares	656.95	4.79	5,000.98
Repayment of debt securities	(2,531.01)	(660.53)	(1,346.34)
Proceeds from debt securities	450.00	6,577.19	348.71
Repayment of borrowings (other than debt securities)	(25,905.28)	(20,036.34)	(17,800.02)
Proceeds from borrowings (other than debt securities)	41,043.00	28,711.21	19,247.43
Proceeds from Subordinated debt	550.00	-	-
Repayment of Subordinated debt	(70.00)	-	-
Payment of lease liability	(11.69)	(4.12)	-
Net cash (used in)/flow from financing activities (C)	**14,181.97**	**14,592.20**	**5,450.76**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(2,040.48)	6,757.53	(1,843.04)
Cash and cash equivalents at the beginning of the year	12,154.20	5,396.67	7,239.71
Cash and cash equivalents at the end of the year	**10,113.72**	**12,154.20**	**5,396.67**

Note: a) For disclosures relating to change in cash flows arising from financing activities, refer note 42.
b) The restated cash flow statement has been prepared under the indirect method as set out in Ind AS 7, "Statement of Cash flows".
c) For components of cash and cash equivalents at the end of the year, refer note 3.

Cash flow from operating activities includes interest received of Rs. 10,953.65 millions , Rs. 6,755.39 millions and Rs. 6,051.16 millions and interest paid of Rs. 4,925.73 millions, Rs. 3,646.87 millions and Rs. 3,413.53 millions for year ended March 31, 2022, March 31, 2021 and March 31, 2020 respectively .

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure 5, notes to the Restated Ind AS Summary Statements appearing in Annexure 6 and Statement on Adjustments to Audited Financial Statements appearing in Annexure 7.

As per our report of even date

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Amit Kabra
Partner
Membership Number : 094533

Place: Gurugram
Date : May 06, 2022

for and on behalf of the Board of Directors of
Fusion Micro Finance Limited
CIN:U65100DL1994PLC061287

Devesh Sachdev
MD and CEO
DIN : 02547111

Ratna Dharashree Vishwanathan
Director
DIN : 07278291

Deepak Madaan
Company Secretary and Compliance Officer

Gaurav Maheshwari
Chief Financial Officer

Place: Gurugram
Date : May 06, 2022

Fusion Micro Finance Limited (formerly known as Fusion Micro Finance Private Limited)
Annexure 4- Restated Ind AS Statement of Changes in Equity

(Rs in millions unless otherwise stated)

A Equity share capital

Particulars	As at April 1, 2019	Changes during the year 2019-20	As at March 31, 2020	Changes during the year 2020-21	As at March 31, 2021	Changes during the year 2021-22	As at March 31, 2022
Equity share capital (fully paid up)	626.21	177.63	803.84	-	803.84	39.42	843.26
Less: Treasury shares*	(13.54)	(4.74)	(18.28)	0.87	(17.41)	1.75	(15.66)
Equity share capital (partly paid up)	3.10	0.84	3.94	-	3.94	(3.94)	-
Total	**615.77**	**173.73**	**789.50**	**0.87**	**790.37**	**37.23**	**827.60**

* Treasury shares represents shares held by ESOP Trust. The company treats ESOP Trust as its extension and shares held by ESOP Trust are treated as treasury shares.

B Other equity

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Statutory reserve	Treasury shares #	Securities premium	Employee stock option plan reserve	Retained earnings	Remeasurement gains on defined benefit plans	
Balance as at April 1, 2019	**183.22**	**(63.78)**	**5,180.76**	**19.88**	**321.21**	**1.48**	**5,642.77**
Profit for the year	-	-	-	-	696.10	-	696.10
Other comprehensive income for the year	-	-	-	-	-	5.06	5.06
Issue of equity shares	-	(79.17)	4,907.04	-	-	-	4,827.87
Transfer from retained earnings	139.22	-	-	-	(139.22)	-	-
Share issue expenses	-	-	(3.06)	-	-	-	(3.06)
Share based compensation	-	-	-	28.21	-	-	28.21
Exercise of share options	-	1.58	2.83	(1.97)	-	-	2.44
Lapse of share options	-	-	-	(2.29)	2.29	-	-
Balance as at March 31, 2020	**322.44**	**(141.37)**	**10,087.57**	**43.83**	**880.38**	**6.54**	**11,199.39**
Balance as at April 1, 2020	**322.44**	**(141.37)**	**10,087.57**	**43.83**	**880.38**	**6.54**	**11,199.39**
Profit for the year	-	-	-	-	439.44	-	439.44
Other comprehensive income for the year	-	-	-	-	-	0.03	0.03
Transfer from retained earnings	87.89	-	-	-	(87.89)	-	-
Share based compensation	-	-	-	30.40	-	-	30.40
Exercise of share options	-	3.23	4.10	(3.41)	-	-	3.92
Lapse of share options	-	-	-	(2.36)	2.36	-	-
Balance as at March 31, 2021	**410.33**	**(138.14)**	**10,091.67**	**68.46**	**1,234.29**	**6.57**	**11,673.18**
Balance as at April 1, 2021	**410.33**	**(138.14)**	**10,091.67**	**68.46**	**1,234.29**	**6.57**	**11,673.18**
Profit for the year	-	-	-	-	217.55	-	217.55
Other comprehensive income for the year	-	-	-	-	-	2.22	2.22
Issue of shares	-	-	606.02			-	606.02
Transfer to / from retained earnings	43.51	-	-	-	(43.51)		-
Share based compensation	-	-	-	39.24	-	-	39.24
Exercise of share options	-	11.44	11.08	(8.82)	-	-	13.70
Lapse of share options	-	-	-	(3.73)	3.73	-	-
Balance as at March 31, 2022	**453.84**	**(126.70)**	**10,708.77**	**95.15**	**1,412.06**	**8.79**	**12,551.91**

\# These treasury shares excludes amount adjusted from equity share capital.

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure 5, notes to the Restated Ind AS Summary Statements appearing in Annexure 6 and Statement on Adjustments to Audited Financial Statements appearing in Annexure 7.

As per our report of even date

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

for and on behalf of the Board of Directors of
Fusion Micro Finance Limited
CIN:U65100DL1994PLC061287

Amit Kabra
Partner
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MD and CEO
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Director
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Deepak Madaan
Company Secretary and Compliance Officer

Gaurav Maheshwari
Chief Financial Officer

Place: Gurugram
Date : May 06, 2022

Place: Gurugram
Date : May 06, 2022

1.Corporate information

Fusion Micro Finance Limited ('the Company'), (formerly known as Fusion Micro Finance Private Limited) was originally incorporated as 'Ambience Fincap Private Limited' on September 5, 1994 under the Companies Act, 1956. On January 9, 2003, the Reserve Bank of India granted a certificate of registration as a non-deposit accepting non-banking financial company under Section 45IA of the Reserve Bank of India Act, 1934. Subsequently, the name of Company was changed to 'Fusion Micro Finance Private Limited' and a fresh certificate of incorporation, dated April 19, 2010, was issued, post which the RBI granted a certificate of registration dated May 19, 2010 reflecting the change of name. Thereafter, the Company was issued a fresh certificate dated January 28, 2014 from RBI for carrying on the business of Non-Banking Financial Company-Micro Finance Institution ('NBFC-MFI') .The name of the Company was further changed to Fusion Micro Finance Limited upon conversion to a public limited company pursuant to the special resolution passed by the Shareholders of the Company and a fresh certificate of incorporation was issued dated July 20, 2021. The registered office of the Company is at H-1, C-Block, Community Centre, Naraina Vihar, New Delhi-110028.

The Company is primarily engaged in micro finance lending activities, providing financial services to poor women in India who are organized as Joint Liability Group ('JLGs'). The Company provides small value collateral free loans. Apart from micro finance lending, the Company also have lending to MSME enterprises.

Company uses its distribution channel to provide other financial products and services to the members primarily relate to providing of loans to the members for the purchase of certain productivity enhancing products such as mobile handsets, bicycle.

The restated Ind AS summary statements for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 were approved for issue in accordance with a resolution of the directors on May 06, 2022.

1A. Basis of Preparation of Restated Ind AS Summary Statements

The Restated Ind AS Summary Statements comprises of the Restated Ind AS Statement of Assets and Liabilities as at March 31, 2022, 2021 and 2020, the Restated Ind AS Statement of Profit and Loss (including other comprehensive income (OCI)), the Restated Ind AS Statement of Cash Flows, the Restated Ind AS Statement of Changes in Equity for the years ended March 31, 2022, 2021 and 2020, the Statement of Significant Accounting Policies and other explanatory notes (collectively, the 'restated Ind AS summary statements' or 'summary statements') have been prepared specifically for inclusion in the Addendum to Draft red hearing prospectus, red herring prospectus and prospectus to be filed by the Company with the Registrar of Companies, Delhi and Securities and Exchange Board of India ("SEBI") in connection with proposed initial public offer of equity shares of Rs. 10 each of the Company (the "Offering").

These restated Ind AS Summary Statements have been prepared to comply in all material respects with the requirements of

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act").

b) Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the SEBI ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI') on September 11, 2018 as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 and

c) Guidance note on Reports in Company Prospectuses (Revised 2019) ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI').

   The restated Ind AS Summary Statements have been compiled from Audited financial statements of the Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which have been prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on May 06, 2022, May 26,2021 and June 22,2020 respectively.

   The accounting policies have been consistently applied by the Company in preparation of the restated Ind AS summary statements to all the years presented, unless otherwise stated. These Restated Ind AS summary statements do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited financial statements mentioned above. These audited financial statements have been prepared on a going concern basis.

The restated Ind AS summary statements have been prepared on a historical cost basis, except for fair value through other comprehensive Income (FVTOCI) instruments, plan assets, other financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. The restated Ind AS summary statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

Presentation of restated Ind AS summary statements

The Company presents its balance sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are only offset and reported net, when in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

A. The normal course of business.
B. The event of default.
C. The event of insolvency or bankruptcy of the Company and/or its counterparties.

Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically.

2.Significant accounting policies

2.1 Recognition of income and expense

The Company earns revenue primarily from giving loans. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

2.1.1 Interest income

Interest revenue is recognized using the Effective Interest Rate method(EIR). The effective interest method calculates the amortized cost of a financial instrument and allocates the interest income or interest expense over the relevant period.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than the credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as ‘Stage 3’, the Company calculates the interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income a gross basis.

2.1.1.1 The effective interest rate method

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortized cost, debt instrument measured at FVTOCI and debt instruments designated at FVTPL. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial assets.

The EIR (and therefore, the amortized cost of the asset) is calculated by Considering any discount or premium on acquisition, fees and transaction costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through *Interest income* in the statement of profit and loss.

2.1.2 Dividend income

Dividend income is recognized when the Company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

2.1.3 Net gain on derecognition of financial instruments under amortized cost category

Where derecognition criteria as per Ind AS 109, including transaction of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognized. Income from assignment transactions i.e. present value of excess interest spread is recognized. Refer Note 2.5 for policy on derecognition of financial assets.

2.1.4 Net Gain/Loss on fair value changes

The Company recognizes the fair value on investment in mutual funds measured at FVTPL in the statement of profit and loss in accordance with Ind AS 109.

2.1.5 Interest Expense

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

2.1.6 Revenue from Contracts with Customers

The Company recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from Contracts with Customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

a) Facilitation fees income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognized on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

b) Revenue from business correspondence services is recognized point in time when performance obligation is satisfied as per agreed terms and conditions of the contract.

c) The company recognizes revenue from market support services upon satisfaction of performance obligation by rendering of services underlying the contract with third party customers.

2.2 Financial Instruments– initial recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument.

2.2.1 Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans are recognized when funds are disbursed to the customer's accounts. The Company recognises debt securities, deposits and borrowings when funds reach the Company.

2.2.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at Fair value through profit or loss (FVTPL), transaction costs are added to, subtracted from, this amount. Trade receivables are measured at the transaction price.

2.2.3 Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

a) Amortized cost, as explained in Note 2.3.1

b) FVTPL as explained in Notes 2.3.6

c) FVTOCI

The Company classifies and measures its trading portfolio at FVTPL. The Company may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, are measured at FVTPL when they are derivative instruments or the fair value designation is applied, as explained in Note 2.3.6.

2.3 Financial assets and liabilities

2.3.1 Cash and cash equivalents, Bank balances, Loans, Trade receivables, financial investments and other financial assets at amortized cost

The Company measures cash and cash equivalents Bank balances, Loans, Trade receivables and other financial investments and assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below:

2.3.1.1 Business model assessment

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

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

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

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.
- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

2.3.1.2 The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the solely payments of principal and interest (the 'SPPI test').

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

'Interest' within a lending arrangement are typically the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Where the business model is to hold assets to collect contractual cash flows (i.e. measured at amortized cost) or to collect contractual cash flows and sell (i.e. measured at fair value through other comprehensive income), the Company assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. The amortized cost, as mentioned above, is computed using the effective interest rate method.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss. The losses arising from ECL impairment are recognized in the profit or loss.

2.3.2 Derivative financial instruments at fair value through profit or loss

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as currency and interest rate swaps , to hedge its foreign currency risks and interest rate risks, respectively. Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Changes in the fair value of currency and interest rate swaps entered to hedge foreign currency risks and interest rate risks, respectively, on external commercial borrowing are included in Net loss /(gain) on fair value of derivative contracts measured at fair value through profit or loss under finance cost. Changes in the fair value of other derivatives are included in net gain/(loss) on fair value changes unless hedge accounting is applied.

The notional amount and fair value of such derivatives are disclosed separately in Note 1. The Company does not apply hedge accounting.

2.3.3 Financial assets or financial liabilities held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there evidence of a recent pattern of short-term profit taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognized in net gain or loss on fair value changes. Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established.

Included in this classification are equity instruments and mutual funds and that have been acquired principally for the purpose of selling or repurchasing in the near term.

2.3.4 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on funds issued, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

For the accounting treatment of financial instruments with equity conversion rights and call options, the Company first establishes whether the instrument is a compound instrument and classifies such instrument's components separately as financial liabilities or equity instruments in accordance with Ind AS 32. Classification of the liability and equity components of a convertible instrument is not revised as a result of a change in the likelihood that a conversion option will be exercised, even when exercising the option may appear to have become economically advantageous to some holders. When allocating the initial carrying amount of a compound financial instrument to the equity and liability components, the equity component is assigned as the residual amount after deducting from the entire fair value of the instrument, the amount separately determined for the liability component. Once the Company has determined the split between equity and liability, it further evaluates whether the liability component has embedded derivatives that must be accounted for separately.

2.3.5 Equity and Convertible instruments

Equity instruments are contracts that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the convertible instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortized cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognized and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible instruments based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

2.3.6 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis

Or

- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy

Or

- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited

2.4 Reclassification of financial asset and liabilities

Financial assets are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in financial year 2021-22, 2020-21 and 2019-20.

2.5 Derecognition of financial assets and liabilities

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

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either :

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

2.6 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously ('the offset criteria').

2.7 Impairment of Financial Assets

2.7.1 Overview of principles for measuring expected credit loss ('ECL') on financial assets.

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

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 47 (e).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

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

Stage 1
When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2. The Company has assessed that all standard exposures (i.e., exposures with no overdues) and exposure up to 30 days overdues fall under this category.

Stage 2
When loan that have had a significant increase in credit risk since initial recognition are classified under this stage. Based on empirical evidence, significant increase in credit risk is witnessed after the overdues on an exposure exceed for a period more than 30 days. Accordingly, the Company classifies all exposures with overdues exceeding 30 days at each reporting date under this Stage. The Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.

The loans provided to borrowers having running businesses with steady cash flows and not as a concession to overcome financial difficulties faced by borrowers other than the temporary suspension due to lock-down, are not considered as restructured accounts in terms of extant RBI Master Directions.

Stage 3
Loans considered credit-impaired. The Company records an allowance for the LTECLs. All exposures having overdue balances for a period exceeding 90 days are considered to be defaults and are classified under this stage.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

2.7.2 Methodology for calculating ECL

The Company calculates ECL based on a probability weighted outcome of factors indicated below to measure the expected cash shortfalls. The Company does not discount such shortfalls considering relatively shorter tenure of loan contracts. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Key factors applied to determine ECL are outlined as follows:

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

Exposure at default (EAD) – Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

Loss given default (LGD) – It is an estimate of the loss arising when the event of default occurs. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

2.7.3 Forward looking information

While estimating the expected credit loss, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Inflation, Unemployment rates, Benchmark rates set by Reserve Bank of India, with the estimate of PD, LGD determined by the Company based in its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

2.7.4 Write-offs

Loans are written off in their entirety only when the Company has stopped perusing the recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-offs. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries against such loan are credited to the statement of profit and loss.

2.7.5 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

2.8 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price at the measurement date that would be received to sell an asset or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

• **Level 3 financial instruments** − Includes one or more unobservable input where there is little market activity for the asset/liability at the measurement date that is significant to the measurement as a whole.

For assets and liabilities that are recognized in the Restated Ind AS Summary Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

2.9 Foreign Currency transactions

2.9.1 Functional and presentation currency

The Restated Ind AS Summary Statement are presented in Indian Rupees (INR), which are the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

2.9.2 Transaction and balance

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All exchange differences arising from foreign currency borrowings to the extent not capitalized are regarded as a cost of borrowing and presented under Finance cost.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

2.10 Leasing

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

Where the Company is lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.7.5 Impairment of non-financial assets.

- **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as and when due.

2.11 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.12 Property, Plant and Equipment (PPE)

Property, plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment.

Leasehold improvements are amortized on straight line basis over the lease term or the estimated useful life of the assets, whichever is lower.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Property plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income / expense in the statement of profit and loss in the year the asset is derecognised.

Depreciation on property, plant and equipment provided on written down value method at the rate arrived based on useful life of the assets, prescribed under schedule II of the act, which also represents the estimate of the useful life of the assets by the management.

Depreciation on assets sold during the year is charged to the statement of Profit and Loss up to the date of sale.

The Company has used the following useful lives to provide depreciation on its Property, plant and equipment.

Asset category	**Useful life (in years)**
Furniture & Fixture	10
Electrical fittings	10
Computers & Printers	3
Office Equipment	5
Vehicles	8

2.13 Intangible assets

The Company's intangible assets mainly include the Computer Software. An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets acquired separately are measured on initial recognition at cost.

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives, as follows:

Computer software - 3-6 years

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognized.

2.14 Retirement and other Employee benefits

2.14.1 Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.14.2 Share-based payment arrangements

The Company has formulated an Employees Stock Option Schemes to be administered through a Trust. The scheme provides that subject to continued employment with the Company, the employees are granted an option to acquire equity shares of the Company that may be exercised within the specified period.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 43.

That cost is recognized in employee benefits expense over the period in which service conditions are fulfilled, together with a corresponding increase in employee stock option plan reserve in other equity. The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. No expense is recognized for awards that do not ultimately vest because service conditions have not been met.
The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.14.3 Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Post-employment benefits in the form of provident fund , and other funds are defined contribution scheme.

The Company has no obligation, other than the contribution payable to the provident fund and pension scheme. The Company recognises contribution payable to scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

2.14.4 Defined benefit plans

The Company has defined benefit gratuity plan. The Company's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability/asset, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in the balance sheet with a corresponding debit or credit to OCI (other Comprehensive Income) in the period in which they occur. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2.14.5 Other long-term employee benefits

Compensated absences are a long-term employee benefit and are accrued based on an actuarial valuation done as per projected unit credit method as at the Balance Sheet date, carried out by an independent actuary.

Actuarial gains and losses arising during the year are immediately recognized in the statement of profit and loss.

2.15 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

2.16 Share issue expenses

Incremental costs that are directly attributable to the issue of an equity instrument (i.e. they would have been avoided if the instrument had not been issued) are deducted from equity.

2.17 Taxes

2.17.1 Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. It is computed using tax rates and tax laws enacted or substantively enacted at the reporting date.

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

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

2.17.2 Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, using tax rates (and tax laws) that have enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset only if:

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

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

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

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

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

2.18 Earning per share

The Company reports basic and diluted earnings per share in accordance with Ind AS33 on Earnings per share. Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

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

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The MD and CEO of the Company has been identified as the chief operating decision maker for the Company.

2.20 Contingent Liabilities and Contingent Assets

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are disclosed, where an inflow of economic benefits are probable. The Company shall not recognise a contingent asset unless the recovery is virtually certain.

2.21 Treasury Shares

The Company has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the employee stock option schemes.

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in capital reserve. Share options exercised during the reporting period are satisfied with treasury shares.

2.22 Significant accounting judgements, estimates and assumptions

The preparation of restated Ind AS summary statements requires the management to make judgments, estimates and assumptions that affects the reported amounts of assets, liabilities, revenue and expenses and the accompanying disclosures, , as well as the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities affected in future periods

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the restated Ind AS summary statements is included in the following notes

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Fair value of financial instrument

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Impairment of financial asset

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance.

Provisions other than impairment on loan portfolio

Provisions are held in respect of a range of future obligations such as employee benefit plans and cash loss contingencies. Some of the provisions involve significant judgment about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgments about the ultimate outcomes of the transactions. Payments that are expected to be incurred after more than one year are discounted at a rate which reflects both current interest rates and the risks specific to that provision.

Share Based Payment

Estimating fair value for share-based payment transactions requires determining of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Other Estimates

- **Useful lives of depreciable/amortizable assets** – Management reviews its estimate of the useful lives of depreciable/amortizable asset at each reporting date, based on expected utility of assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets

- **Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

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(Rs in millions unless otherwise stated)

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
3	**Cash and cash equivalents**			
	Cash on hand	148.19	111.27	13.86
	Balances with banks			
	- on current accounts	9,365.40	7,690.27	4,332.58
	- deposits with original maturity of less than 3 months	600.13	4,352.66	1,050.23
	Total	**10,113.72**	**12,154.20**	**5,396.67**

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates. The company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

4	**Bank balance other than cash and cash equivalents**			
	Deposits with maturity of less than 12 months*	920.87	601.61	2,039.71
	Deposits with maturity of more than 12 months **	501.39	596.75	548.91
	Margin money with financial institution towards securitised borrowings#	-	-	178.05
	Deposit with financial institutions as security deposit	-	-	14.15
	Total	**1,422.26**	**1,198.36**	**2,780.82**

* Includes lien free fixed deposits as at March 31, 2022 Rs. 60.54 millions (March 31, 2021: Rs. 336.02 millions and March 31, 2020: Rs. 1,513.75 millions)
** Includes lien free fixed deposits as at March 31, 2022 Rs. 3.79 millions, (March 31, 2021: Rs. 36.27 millions and March 31, 2020: Rs.96.25 millions)

#Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments .

Note :Fixed deposit and other balances with banks earns interest at contractual fixed rates.

5	**Trade receivables (at amortized cost)**			
	Unsecured considered good	43.42	27.93	31.39
	Less : Impairment loss allowance	-	-	-
	Total	**43.42**	**27.93**	**31.39**

Note: No trade or other receivable are due form directors and other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivable are non-interest bearing and generally on terms of 30 to 90 days.

Trade receivables ageing schedule

As at March 31,2022	**Outstanding for following periods from due date of payment**					
Particular	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	43.42	-	-	-		**43.42**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-		-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-		-
(iv) Disputed Trade Receivables–considered good	-	-	-	-		-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-		-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-		-
Total	**43.42**	-	-			**43.42**

As at March 31,2021	**Outstanding for following periods from due date of payment**					
Particular	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	27.93	-	-	-		**27.93**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-		-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-		-
(iv) Disputed Trade Receivables–considered good	-	-	-	-		-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-		-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-		-
Total	**27.93**	-	-	-		**27.93**

As at March 31,2020	**Outstanding for following periods from due date of payment**					
Particular	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	31.39	-	-	-		**31.39**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-		-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-		-
(iv) Disputed Trade Receivables–considered good	-	-	-	-		-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-		-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-		-
Total	**31.39**	-	-	-		**31.39**

6	**Loans (at amortised cost)**			
	Term Loans:			
	Joint liability loans	61,454.18	46,129.77	34,400.39
	MSME Loans	1,331.26	330.55	11.70
	Total - Gross	**62,785.44**	**46,460.32**	**34,412.09**
	Less: Impairment loss allowance	(3,603.50)	(2,853.02)	(982.36)
	Total - Net	**59,181.94**	**43,607.30**	**33,429.73**
	(a) Secured	271.61	35.07	-
	(b) Unsecured	62,513.83	46,425.25	34,412.09
	Total - Gross	**62,785.44**	**46,460.32**	**34,412.09**
	Less: Impairment loss allowance	(3,603.50)	(2,853.02)	(982.36)
	Total - Net	**59,181.94**	**43,607.30**	**33,429.73**
	(a) Public sector		-	-
	(b) Others	62,785.44	46,460.32	34,412.09
	Total - Gross	**62,785.44**	**46,460.32**	**34,412.09**
	Less: Impairment loss allowance	(3,603.50)	(2,853.02)	(982.36)
	Total - Net	**59,181.94**	**43,607.30**	**33,429.73**
	Above amount includes			
	Loans provided in India	62,785.44	46,460.32	34,412.09
	Loans provided outside India	-	-	-
	Total - Gross	**62,785.44**	**46,460.32**	**34,412.09**
	Less: Impairment loss allowance	(3,603.50)	(2,853.02)	(982.36)
	Total - Net	**59,181.94**	**43,607.30**	**33,429.73**

(Rs in millions unless otherwise stated)

Overview of the Loan Portfolio of the Company
The Company is primarily in the business of providing micro loans towards income generating activities with its operations spread out in different parts of India. The table below discloses credit quality of the Company's exposures as at reporting date.

Gross portfolio movement for the year ended March 31, 2022

Particulars	Stage I*	Stage II	Stage III	Total
Gross carrying value of loans as at April 1, 2021	40,763.84	3,137.58	2,558.90	46,460.32
New loans originated during the year, net off for repayments and derecognised portfolio	19,372.32	(1,491.18)	1,378.36	19,259.50
Loans written off during the year	-	-	(2,934.39)	(2,934.39)
Movement between stages				
Transfer from stage I	(2,640.41)	818.39	1,822.02	-
Transfer from stage II	352.08	(1,176.07)	823.99	-
Transfer from stage III	42.43	22.19	(64.62)	-
Gross carrying value of assets as at March 31, 2022	**57,890.26**	**1,310.91**	**3,584.26**	**62,785.43**

Gross portfolio movement for the year ended March 31, 2021

Particulars	Stage I*	Stage II	Stage III	Total
Gross carrying value of loans as at April 1, 2020	33,861.54	166.06	384.49	34,412.09
New loans originated during the year, net off for repayments and derecognised portfolio	12,104.12	77.24	192.93	12,374.29
Loans written off during the year	-	-	(326.06)	(326.06)
Movement between stages				
Transfer from stage I	(5,202.84)	3,000.49	2,202.35	-
Transfer from stage II	1.01	(106.21)	105.20	-
Transfer from stage III	0.01	-	(0.01)	-
Gross carrying value of assets as at March 31, 2021	**40,763.84**	**3,137.58**	**2,558.90**	**46,460.32**

Gross portfolio movement for the year ended March 31, 2020

Particulars	Stage I*	Stage II	Stage III	Total
Gross carrying value of loans as at April 1, 2019	25,631.50	105.37	404.24	26,141.11
New loans originated during the year, net off for repayments and derecognised portfolio	8,518.07	17.84	87.12	8,623.03
Loans written off during the year	-	-	(352.05)	(352.05)
Movement between stages				
Transfer from stage I	(288.37)	59.14	229.23	-
Transfer from stage II	0.31	(16.33)	16.02	-
Transfer from stage III	0.03	0.04	(0.07)	-
Gross carrying value of assets as at March 31, 2020	**33,861.54**	**166.06**	**384.49**	**34,412.09**

* Includes over due from 1 to 30 days amounting to Rs 1,121.26 million, Rs 1,719.89 million and Rs. 78.83 million as at March 31, 2022 , March 31, 2021 and March 31, 2020 respectively.

Reconciliation of loss allowance provision from beginning to end of reporting year :

Particulars	**Loans**				**Other financial assets (refer note 8)**
	Stage I	**Stage II**	**Stage III**	**Total**	
ECL allowance on April 1, 2019	**111.60**	**49.44**	**259.71**	**420.75**	**-**
New assets originated during the year, netted off for repayments and derecognised portfolio	36.98	8.19	54.76	99.93	13.33
Loans written off during the year	-	-	(352.05)	(352.05)	-
Movement between stages				-	
Transfer from stage I	(1.25)	0.26	1.00	-	-
Transfer from stage II	0.14	(7.50)	7.36	-	-
Transfer from stage III	0.02	0.03	(0.04)	-	-
Impact on ECL on account of movement between stages/ updates to ECL model*	497.82	32.60	283.30	813.73	-
ECL allowance on March 31, 2020	**645.31**	**83.02**	**254.04**	**982.36**	**13.33**
ECL allowance on April 1, 2020	**645.31**	**83.02**	**254.04**	**982.36**	**13.33**
New assets originated during the year, netted off for repayments and derecognised portfolio	230.67	38.62	127.48	396.77	11.09
Loans written off during the year	-	-	(326.06)	(326.06)	(15.06)
Movement between stages				-	
Transfer from stage I	(37.45)	16.52	20.93	-	-
Transfer from stage II	0.50	(53.10)	52.59	-	-
Transfer from stage III	0.01	-	(0.01)	-	-
Impact on ECL on account of movement between stages/ updates to ECL model	(389.48)	783.17	1,406.26	1,799.95	-
ECL allowance on March 31, 2021	**449.56**	**868.23**	**1,535.23**	**2,853.02**	**9.36**
ECL allowance on April 1, 2021	**449.56**	**868.23**	**1,535.23**	**2,853.02**	**9.36**
New assets originated during the year, netted off for repayments and derecognised portfolio	213.65	(412.64)	826.96	627.97	2.01
Loans written off during the year	-	-	(2,934.39)	(2,934.39)	-
Movement between stages					
Transfer from stage I	(29.12)	9.03	20.09	-	-
Transfer from stage II	97.43	(325.44)	228.01	(0.00)	-
Transfer from stage III	25.46	13.31	(38.77)	-	-
Impact on ECL on account of movement between stages/ updates to ECL model	(159.86)	299.90	2,916.86	3,056.90	-
ECL allowance on March 31, 2022	**597.12**	**452.39**	**2,553.99**	**3,603.50**	**11.37**

* Includes management overlay of Rs 510.41 millions, for further clarification refer note 54

7 Investments (at amortised cost)	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Investments in Mutual funds (HDFC Charity fund for cancer cure) March 31, 2022 - Nil units, March 31, 2021 - Nil units and March 31, 2020 - 5,00,000 units	-	-	5.00
(i) Overseas Investments	-	-	-
(ii) Investments in India	-	-	5.00
Total	**-**	**-**	**5.00**

8 Other financial assets (at amortised cost)	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
A Security deposits			
Unsecured, considered good	26.92	23.53	15.36
(A)	**26.92**	**23.53**	**15.36**
B Other assets			
Excess interest spread (EIS) receivable	435.08	128.15	126.80
Advances recoverable in cash or for value to be received	162.05	158.44	109.63
Initial public offer expenses recoverable (refer note A in note 14)	55.97	-	-
Less : Impairment loss allowance (refer note 6 for movement)	(11.37)	(9.36)	(13.33)
(B)	**641.73**	**277.23**	**223.10**
Total (A+B)	**668.65**	**300.76**	**238.46**

(Rs in millions unless otherwise stated)

9 Current tax assets (net)	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Advance income tax (net)	353.61	119.58	119.09
Total	**353.61**	**119.58**	**119.09**

10 Deferred tax assets (net)

A Deferred tax assets:			
Impairment allowance for financial assets	900.39	688.12	237.62
Differences of written down value of Property, plant and equipment and intangible assets	15.29	11.87	7.86
Provision for employee benefits	36.10	35.73	28.32
Provisions allowable on payment basis	-	31.48	20.53
Financial liabilities measured at amortised cost	6.42	6.08	3.99
EIR impact on loan portfolio	111.37	68.98	38.72
Fair valuation of derivative financial instrument	19.41	-	-
Other temporary difference	8.41	16.00	9.41
Total deferred tax assets	**1,097.39**	**858.26**	**346.45**
B Deferred tax liabilities			
Excess interest spread (EIS) receivable	(101.54)	(29.15)	(30.19)
Stage 3 interest income	(128.29)	(63.83)	(11.24)
Total deferred tax liabilities	**(229.83)**	**(92.98)**	**(41.43)**
Net deferred tax assets (A+B)	**867.56**	**765.28**	**305.02**

C Movement in Deferred tax assets (net)

Particulars	As at April 01, 2021	(Charge)/credit in restated statement of profit and loss	Recognized in restated other comprehensive income for the year ended March 31, 2022	Recognized in restated other equity for the year ended March 31, 2022	As at March 31, 2022
Assets					
Impairment allowance for financial assets	688.12	212.27	-	-	**900.39**
Differences of written down value of Property, plant and equipment and intangible assets	11.87	3.42	-	-	**15.29**
Provision for employee benefits	35.73	1.11	(0.74)	-	**36.10**
Provisions allowable on payment basis	31.48	(31.48)	-	-	**-**
Financial liabilities measured at amortised cost	6.08	0.34	-	-	**6.42**
Fair valuation of derivative financial instrument	-	19.41	-		**19.41**
EIR impact on term loans	68.98	42.39	-	-	**111.37**
Other temporary difference	16.00	(7.59)	-	-	**8.41**
Liabilities				-	
EIS receivable	(29.15)	(72.39)	-	-	**(101.54)**
Stage 3 interest income	(63.83)	(64.46)	-	-	**(128.29)**
Total	**765.28**	**103.02**	**(0.74)**	**-**	**867.56**

Particulars	As at April 01, 2020	(Charge)/credit in restated statement of profit and loss	Recognized in restated other comprehensive income for the year ended March 31, 2021	Recognized in restated other equity for the year ended March 31, 2021	As at March 31, 2021
Assets					
Impairment allowance for financial assets	237.62	450.51	-	-	**688.12**
Differences of written down value of Property, plant and equipment and intangible assets	7.86	4.01	-	-	**11.87**
Provision for employee benefits	28.32	7.42	(0.01)	-	**35.73**
Provisions allowable on payment basis	20.53	10.95	-	-	**31.48**
Financial liabilities measured at amortised cost	3.99	2.09	-	-	**6.08**
EIR impact on term loans	38.72	30.26	-	-	**68.98**
Other temporary difference	9.41	6.59	-	-	**16.00**
Liabilities					
EIS receivable	(30.19)	1.03	-	-	**(29.15)**
Stage 3 interest income	(11.24)	(52.59)	-	-	**(63.83)**
Total	**305.02**	**460.27**	**(0.01)**	**-**	**765.28**

Particulars	As at April 01, 2019	(Charge)/credit in restated statement of profit and loss	Recognized in restated other comprehensive income for the year ended March 31, 2020	Recognized in restated other equity for the year ended March 31, 2020	As at March 31, 2020
Assets					
Impairment allowance for financial assets	143.10	94.52	-	-	**237.62**
Differences of written down value of Property, plant and equipment and intangible assets	8.47	(0.61)	-	-	**7.86**
Provision for employee benefits	22.82	6.90	(1.40)	-	**28.32**
Provisions allowable on payment basis	14.22	6.31	-	-	**20.53**
Financial liabilities measured at amortised cost	5.35	(1.36)	-	-	**3.99**
EIR impact on term loans	29.92	8.80	-	-	**38.72**
EIS receivable	0.02	(0.02)	-	-	**-**
Other temporary difference	16.62	(7.21)	-	-	**9.41**
Liabilities					
EIS receivable	-	(30.19)	-	-	**(30.19)**
Stage 3 interest income	(26.21)	14.97	-	-	**(11.24)**
Total	**214.31**	**92.11**	**(1.40)**	**-**	**305.02**

(Rs in millions unless otherwise stated)

11 Property, plant and equipment

Particulars	Gross carrying amount (at cost)				Depreciation				Net carrying amount
	As at April 1, 2021	Additions	Disposals	As at March 31, 2022	As at April 1, 2021	For the year	Disposals	As at March 31, 2022	As at March 31, 2022
Furniture and fixtures	26.83	9.44	-	36.27	12.00	4.73	-	16.73	19.54
Electrical fittings	9.11	1.04	-	10.15	4.74	1.20	-	5.94	4.21
Office equipment	18.14	11.58	-	29.71	7.36	7.18	-	14.54	15.18
Vehicles	3.35	-	-	3.35	0.40	0.92	-	1.32	2.03
Computers	48.35	40.71	0.06	89.01	33.05	21.42	0.04	54.43	34.57
Leasehold improvements	69.97	-	-	69.97	15.46	8.00	-	23.46	46.51
Total	**175.75**	**62.77**	**0.06**	**238.46**	**73.01**	**43.45**	**0.04**	**116.42**	**122.04**

Particulars	Gross carrying amount (at cost)				Depreciation				Net carrying amount
	As at April 1, 2020	Additions	Disposals	As at March 31, 2021	As at April 1, 2020	For the year	Disposals	As at March 31, 2021	As at March 31, 2021
Furniture and fixtures	21.21	5.68	0.06	26.83	7.28	4.78	0.06	12.00	14.83
Electrical fittings	12.00	0.18	3.07	9.11	5.12	2.69	3.07	4.74	4.37
Office equipment	9.12	9.39	0.37	18.14	3.18	4.55	0.37	7.36	10.78
Vehicles	0.75	2.96	0.36	3.35	0.62	0.16	0.37	0.40	2.95
Computers	33.64	14.71	-	48.35	20.87	12.18	-	33.05	15.29
Leasehold improvements	27.48	42.49	-	69.97	8.15	7.31	-	15.46	54.52
Total	**104.20**	**75.41**	**3.86**	**175.75**	**45.22**	**31.66**	**3.87**	**73.01**	**102.74**

Particulars	Gross carrying amount (at cost)				Depreciation				Net carrying amount
	As at April 1, 2019	Additions	Disposals	As at March 31, 2020	As at April 1, 2019	For the year	Disposals	As at March 31, 2020	As at March 31, 2020
Furniture and fixtures	15.51	5.70	-	21.21	3.07	4.21	-	7.28	13.93
Electrical fittings	10.43	1.57	-	12.00	2.41	2.71	-	5.12	6.88
Office equipment	3.28	5.84	-	9.12	0.99	2.19	-	3.18	5.94
Vehicles	0.75	-	-	0.75	0.40	0.22	-	0.62	0.13
Computers	20.88	12.97	0.21	33.64	10.54	10.46	0.13	20.87	12.77
Leasehold improvements	23.99	3.49	-	27.48	3.92	4.23	-	8.15	19.33
Total	**74.84**	**29.57**	**0.21**	**104.20**	**21.33**	**24.02**	**0.13**	**45.22**	**58.98**

12 Right of Use Asset

Particulars	Gross carrying amount (at cost)				Depreciation				Net carrying amount
	As at April 1, 2021	Additions	Disposals	As at March 31,	As at April 1, 2021	For the year	Disposals	As at March 31, 2022	As at March 31, 2022
Building (refer Note 53)	83.45	-	-	83.45	5.26	9.02	-	14.28	69.17
Total	**83.45**	**-**	**-**	**83.45**	**5.26**	**9.02**	**-**	**14.28**	**69.17**

Particulars	Gross carrying amount (at cost)				Depreciation				Net carrying amount
	As at April 1, 2020	Additions	Disposals	As at March 31, 2021	As at April 1, 2020	For the year	Disposals	As at March 31, 2021	As at March 31, 2021
Building (refer Note 53)	-	83.45	-	83.45	-	5.26	-	5.26	78.19
Total	**-**	**83.45**	**-**	**83.45**	**-**	**5.26**	**-**	**5.26**	**78.19**

(Rs in millions unless otherwise stated)

	Gross carrying amount (at cost)				Depreciation				Net carrying amount
Particulars	**As at April 1, 2019**	**Additions**	**Disposals**	**As at March 31, 2020**	**As at April 1, 2019**	**For the year**	**Disposals**	**As at March 31, 2020**	**As at March 31, 2020**
Building (refer Note 53)	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

13 Intangible assets

	Gross carrying amount (at cost)				Amortization				Net carrying amount
Particulars	**As at April 1, 2021**	**Additions**	**Disposals**	**As at March 31, 2022**	**As at April 1, 2021**	**For the year**	**Disposals**	**As at March 31, 2022**	**As at March 31, 2022**
Computer software	8.12	0.05	-	8.17	6.22	1.24	-	7.46	0.71
	8.12	**0.05**	**-**	**8.17**	**6.22**	**1.24**	**-**	**7.46**	**0.71**

	Gross carrying amount (at cost)				Amortization				Net carrying amount
Particulars	**As at April 1, 2020**	**Additions**	**Disposals**	**As at March 31, 2021**	**As at April 1, 2020**	**For the year**	**Disposals**	**As at March 31, 2021**	**As at March 31, 2021**
Computer software	5.67	2.45	-	8.12	4.20	2.02	-	6.22	1.90
Total	**5.67**	**2.45**	**-**	**8.12**	**4.20**	**2.02**	**-**	**6.22**	**1.90**

	Gross carrying amount (at cost)				Amortization				Net carrying amount
Particulars	**As at April 1, 2019**	**Additions**	**Disposals**	**As at March 31, 2020**	**As at April 1, 2019**	**For the year**	**Disposals**	**As at March 31, 2020**	**As at March 31, 2020**
Computer software	4.19	1.48	-	5.67	2.46	1.74	-	4.20	1.47
Total	**4.19**	**1.48**	**-**	**5.67**	**2.46**	**1.74**	**-**	**4.20**	**1.47**

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(Rs in millions unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
14 Other non-financial assets (at amortised cost)			
Unsecured, considered good			
Pre-paid expenses	22.18	16.88	13.92
Unamortised processing fees	-	-	0.51
Net defined benefit asset (refer note 39)		-	10.02
Share issue expenses (refer note A below)	27.99	-	-
Others	11.57	6.21	8.86
Total	**61.74**	**23.09**	**33.31**

Note A: During the year ended March 31, 2022, the Company has incurred share issue expenses of Rs 83.96 millions in connection with proposed public offer of equity shares for various services received for Initial Public Offering (IPO). As per the Offer Agreement entered between the Company and the selling shareholders, the selling shareholders shall reimburse the share issue expenses in proportion to the respective shares offered for sale.

The Company will partly recover the expenses incurred in connection with the issue on completion of IPO and therefore, the amount of Rs. 55.97 millions recoverable from the selling shareholders has been carried forward and disclosed under the head "Initial public offer expenses recoverable" (to the extent of not written off or adjusted) under Note 8B.

The Company's share of expenses shall be adjusted against securities premium to the extent permissible under Section 52 of the Act on successful completion of IPO and therefore, the amount of Rs. 27.99 millions related to the Company's share has been carried forward and disclosed under this head (to the extent of not written off or adjusted) under Note 14

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
15 Derivative financial instrument			
Derivatives not designated as hedges			
Currency and interest rate swap	77.11	-	-
Total	**77.11**	-	-

The Company enters into derivatives for risk management purposes. Derivatives (i.e., currency and interest rate swaps) held for risk management purposes include hedges that are economic hedges, but the company has elected not to apply hedge accounting requirements.

The company has entered into currency and interest rate swaps to hedge foreign currency risks and interest rate risks, respectively, on external commercial borrowing (ECB) denominated in EURO as follows:-:

Currency Swap: The Company has a currency swap agreement whereby it has hedged the risk of changes in foreign exchange rates relating to the cash outflow arising on settlement of its ECB.
Interest rate Swap: The company has an interest rate swap agreement whereby the company receives a variable rate of interest of 6M EURIBOR + 4.30% and pays interest at a fixed rate. The swap is being used to hedge the exposure to changes in the variable interest rate.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts

Particulars	As at March 31, 2022			As at March 31, 2021			As at March 31, 2020		
	Notional amounts	Fair Value - Assets	Fair Value -Liabilities	Notional amounts	Fair Value -Assets	Fair Value - Liabilities	Notional amounts	Fair Value -Assets	Fair Value - Liabilities
Currency and Interest rate derivatives:									
Currency and Interest rate swaps	890.42	-	77.11	-	-	-	-	-	-
Total	**890.42**	-	**77.11**	-	-	-	-	-	-

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

16 Trade Payables (at amortised cost)	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
-Total outstanding dues of micro enterprises and small enterprises*		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	176.59	113.06	40.71
Total	**176.59**	**113.06**	**40.71**

* The Company does not have any outstanding dues and any interest payable for micro enterprises and small medium enterprises - refer Note 40

Trade payables ageing schedule as on March 31 2022**

As at March 31, 2022	Outstanding for following periods from due date of payment				
Particular	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	-	-	-
(ii) Others	176.36	0.12	0.07	0.04	176.59
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total	**176.36**	**0.12**	**0.07**	**176.59**	**176.59**

Trade payables ageing schedule as on March 31 2021**	Outstanding for following periods from due date of payment				
Particular	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	-	-	-
(ii) Others	112.75	0.10	0.12	0.09	113.06
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total	**112.75**	**0.10**	**0.12**	**0.09**	**113.06**

Trade payables ageing schedule as on March 31 2020**	Outstanding for following periods from due date of payment				
Particular	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	-	-	-	-	-
(ii) Others	40.33	0.25	0.13	-	40.71
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total	**40.33**	**0.25**	**0.13**	-	**40.71**

** There are no unbilled dues outstanding as on reporting date.

17 Debt Securities (at amortised cost)	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Non-convertible debentures (Secured by book debts)*	5,788.92	8,605.90	2,851.29
Non-convertible debentures (Unsecured)	2,048.84	1,298.60	1,147.69
Total	**7,837.76**	**9,904.50**	**3,998.98**
Debt securities in India	7,837.76	9,904.50	3,998.98
Debt securities outside India	-	-	-
	7,837.76	**9,904.50**	**3,998.98**

*The secured borrowings are secured by hypothecation of book debts and margin money deposits and fixed deposits.
Information about the Company's exposure to credit and market risks are included in Note no. 47 and 49 respectively.

Terms of Debt securities

Terms of debentures	Number of debentures			Amount		
	March 31, 2022	**March 31, 2021**	**March 31, 2020**	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Secured						
11.15% secured rated listed redeemable transferable non convertible debentures of face value of Rs. 10,00,000 each redeemable at par at the end of 71 months and 27 Calendar Days (Subject to exercise of put/call option at the end of 35 months and 26 Calendar Days) from the date of allotment i.e. 10 March, 2021	700	700	-	699.71	699.67	-
11.00% secured rated listed redeemable non convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 72 months (subject to exercise of put/call Option at the end of 36 months) from the date of allotment i.e.. 18 March 2021	500	500	-	499.73	499.68	-
10.70% secured rated unlisted redeemable non convertible debentures of face value of Rs. 10,00,000 each redeemable at par at the end of 72 months (Subject to exercise of put /call option at the end of 36 months) from the date of allotment i.e. 16 March 2018 [ROI revised from 12.94% effective from March 16, 2021]	315	315	315.00	315.00	315.00	314.70

(Rs in millions unless otherwise stated)

Terms of debentures	Number of debentures			Amount		
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2022	March 31, 2021	March 31, 2020
10.70% Secured rated unlisted redeemable non convertible debentures of face value of Rs. 10,00,000 each redeemable at par at the end of 72 months (Subject to exercise of put /call option at the end of 36 months) from the date of allotment i.e. 16 March 2018 [ROI revised from 12.71% effective from March 16, 2021]	315	315	315.00	315.00	315.00	314.70
11.25% secured rated listed taxable redeemable non convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 36 months from the date of allotment i.e. December 23, 2020	500	500	-	499.73	499.60	-
11.50% secured rated, listed, senior taxable, transferable redeemable non-convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 36 months from the date of allotment i.e. July 29, 2020	200	200	-	198.42	197.39	-
11.25% secured rated listed redeemable non convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 36 months from the date of allotment i.e. June 30, 2020	200	200	-	199.40	198.99	-
11.90% secured, rated, listed, unsubordinated, transferable, redeemable, non convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 36 months from the date of allotment i.e. June 10, 2020	100	100	-	99.71	99.49	-
11.25% secured rated, listed, redeemable non-convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 32 months from the date of allotment i.e. July 31, 2020	250	250	-	249.50	249.09	-
10.50% secured rated listed senior taxable redeemable non convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 18 months from the date of allotment i.e. November 19, 2020	250	250	-	249.91	249.18	-
12.05% Secured rated listed redeemable non convertible debentures of face value of Rs. 10,00,000 each redeemable at par at the end of 72 months (Subject to exercise of put/call option at the end of 36 months) from the date of allotment i.e. June 02, 2016 [ROI revised from 14.15% effective from June 3, 2019]	526	526	526.00	525.76	524.70	523.80
10.40% secured rated listed senior taxable redeemable non convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 18 months from the date of allotment i.e. November 13, 2020	500	500	-	124.92	498.02	-
10.25% secured rated listed senior taxable redeemable non convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 18 months from the date of allotment i.e. November 13, 2020	350	350	-	349.80	348.19	-
9.75% secured rated listed senior taxable redeemable non convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 18 months from the date of allotment i.e. November 13, 2020	250	250	-	249.87	248.82	-
10.50% secured rated listed senior taxable redeemable non convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 18 months from the date of allotment i.e. November 13, 2020	500	500	-	499.87	498.83	-
10.50% secured rated, listed, senior taxable, transferable redeemable non-convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 18 months from the date of allotment i.e. August 12, 2020	-	250	-	-	248.75	-
10.50% secured rated, listed, senior taxable, transferable redeemable non-convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 18 months from the date of allotment i.e. August 12, 2020	-	250	-	-	249.52	-
11.53% Secured rated unlisted redeemable non convertible debentures of face value of Rs. 1,00,00,000 each redeemable at par at the end of 36 months from the date of allotment i.e. October 22, 2018	-	35	35.00	-	348.94	347.25
9.54% rated unlisted senior secured redeemable taxable, transferable non convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 48 months from the date of allotment i.e.. March 30, 2021	600	600	-	562.77	598.24	-
11.81% Secured rated unlisted redeemable non convertible debentures of face value of Rs. 1,00,00,000 each redeemable at par at the end of 36 months from the date of allotment i.e. September 27, 2018	-	25	25.00	-	249.86	249.60
11.86% Secured rated listed redeemable non convertible debentures of face value of Rs. 10,00,000 each redeemable at par at the end of 60 months (Subject to exercise of put/call option at the end of 36 months) from the date of allotment i.e. August 31, 2016 [ROI revised from 13.60% effective from August 31, 2019]	-	470	470	-	469.81	469.40
11.40% (RBI repo rate +credit spread) secured rated listed taxable transferable redeemable non convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 36 months from the date of allotment i.e. June 19, 2020	300	250	-	149.83	249.55	-
15% Secured rated listed redeemable non convertible debentures of face value of INR 10,00,000 each redeemable at par at the end of 69 months (Subject to exercise of put option date at the end of 24 months and 48 months) from the date of allotment i.e. 03/31/2015 redeemable on maturity if option not exercised	-	-	100	-	-	99.91
13.15% GWT secured rated listed redeemable non convertible debentures of face value of INR 10,00,000 each redeemable at par at the end of 36 months from the date of allotment i.e. 07/07/2017	-	-	310	-	-	309.90
12.10% Secured listed redeemable non convertible debentures of face value of Rs. 10,00,000 each redeemable at par at the end of 36 months from the date of allotment i.e. 09/04/2017	-	-	200	-	-	33.32
12.30% Secured rated unlisted redeemable non convertible debentures of face value of Rs. 10,00,000 each redeemable at par at the end of 36 months from the date of allotment i.e. 03/15/2018	-	-	190	-	-	188.70
11.53% secured rated unlisted redeemable non convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 72 months (subject to exercise of put option at the end of 12 months and Put/call Option at the end of 36 months) from the date of allotment i.e. 02 November, 2020	-	750	-	-	749.54	-
Unsecured						
11.53% Unsecured rated unlisted redeemable non convertible debentures of Face Vale of Rs. 10,00,000 each redeemable at par at the end of 72 months (subject to exercise of put option at the end of 12 months and Put/call Option at the end of 36 months) from the date of allotment i.e. 02 November, 2020	750	-	-	749.60	-	-
11.91% Unsecured Rated Listed Redeemable Non Convertible Debenture of Face Vale of INR 10,00,000 each redeemable at par at the end of 72 Months (subject to exercise of Put/Call Option at the end of 36 months) from the Date of Allotment i.e. 15 September 2016 [ROI revised from 13.25% effective from September, 15 2019]	550	550	550	549.81	549.42	549.10
11.91% Unsecured rated listed redeemable non convertible debenture of face value of INR 10,00,000 each redeemable at par at the end of 71 months and 29 Calendar Days (subject to exercise of put/call Option at the end of 36 months) from the date of allotment i.e. September 10, 2019	350	350	350	349.77	349.30	348.91
NIFTY 50 Index linked rated listed redeemable non convertible of face value of INR 10,00,000 each redeemable at par at the end of 42 months from the date of allotment i.e. March 06, 2018	-	250	250	-	249.90	249.69
11.96% unsecured rated listed unsubordinated transferable redeemable non convertible debentures of INR 10,00,000 each redeemable at par at the end of 12 months from the date of allotment i.e. August 05, 2020	-	150	-	-	149.98	-
10.50% Rated, Listed, Unsecured, Unsubordinated, Redeemable, Transferable, Non-Convertible Debentures of face value of Rs. 10,00,000/-	450	-	-	399.65	-	-
Total				7,837.76	9,904.50	3,998.98

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(Rs in millions unless otherwise stated)

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
18	**Borrowings - other than debt securities (at amortised cost)**			
	(a) Term loans			
	(i) from banks	40,337.54	26,856.90	19,127.76
	(ii) from other parties	5,769.54	2,619.30	2,644.79
	(b) Short term loans from banks	1,343.92	3,499.64	2,398.77
	(c) Short term loans from financial institutions	-	274.95	-
	(d) Borrowings under securitisation arrangement	-	-	400.26
	(e) External commercial borrowings	843.66	-	-
	Total	**48,294.66**	**33,250.79**	**24,571.58**
	Borrowings in India	47,451.00	33,250.79	24,571.58
	Borrowings outside India	843.66	-	-
	Total	**48,294.66**	**33,250.79**	**24,571.58**
	Secured*	48,294.66	33,250.79	24,571.58
	Unsecured		-	-
	Total	**48,294.66**	**33,250.79**	**24,571.58**

*The secured borrowings are secured by hypothecation of book debts and margin money deposits.

19	**Subordinated liabilities (at amortised cost)**			
	from banks	300.00	300.00	300.00
	from other than banks	1,325.67	867.21	866.29
	Total	**1,625.67**	**1,167.21**	**1,166.29**
	Subordinated liabilities in form of Non-convertible debentures*	1,325.67	797.21	796.29
	Subordinated liabilities in form of term loan	300.00	370.00	370.00
	Total	**1,625.67**	**1,167.21**	**1,166.29**
	Subordinated liabilities in India	1,625.67	1,167.21	1,166.29
	Subordinated liabilities outside India	-	-	-
	Total	**1,625.67**	**1,167.21**	**1,166.29**

* includes Rs 250 millions due to related party (refer note 44 for more details)

Terms of Subordinated liabilities in form of Non-convertible debentures	**Number of debentures**			**Amount**		
	March 31, 2022	**March 31, 2021**	**March 31, 2020**	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
13.85% unsecured, subordinated, rated, taxable, transferable, redeemable and non-convertible debentures of face value of INR 1,000,000 each redeemable at par at the end of 73 months from the date of allotment i.e. March 15, 2017	500	500	500	499.66	499.37	499.11
13.90% Unsecured, Subordinated Rated, Redeemable, Listed Non-convertible Debentures of face value of Rs. 10,00,000 each redeemable at par at the end of 66 months from the date of allotment i.e. March 31, 2018	300	300	300	298.61	297.84	297.18
12.11% Unsecured, Rated, Unlisted Subordinated Non-Convertible Debenture of face value of Rs. 1,00,00,000 each redeemable at par at the end of 66 months from the date of allotment i.e. March 31, 2022	30	-	-	282.92	-	-
13.00% Unsecured, Rated, Redeemable, Transferable, Unlisted Subordinated Non-Convertible Debenture of face value of Rs. 10,00,000 each redeemable at par at the end of 63 months from the date of allotment i.e. March 31, 2022	250	-	-	244.47	-	-
	1,080	**800**	**800**	**1,325.66**	**797.21**	**796.29**

Note :Company has not defaulted in repayment of borrowing /interest during the year ended March 31, 2022, March 31, 2021 and March 31, 2020 with respect to Debt Securities (Note 17) borrowings (other than debt securities) (Note 18) and subordinated liabilities (Note 19)

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(Rs in millions unless otherwise stated)

17A, 18A and 19A **Terms of Principal repayment of Debt securities/Borrowings(other than debt securities)/Subordinated liabilities as on March 31, 2022**

Original Maturity of loan	Interest rate	Due Within 1 Year		Due Between 1 to 2 Year		Due Between 2 to 3 Year		Due Between 3 to 4 Year		Due Between 4 to 5 Year		Due Between 5 to 6 Year		Total
		No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	
Borrowings (other than debt securities)														
Monthly														
Upto 3 Years	6.01% - 6.50%	3	57.48	-	-	-	-	-	-	-	-	-	-	57.48
	7.51% - 8.00%	12	180.00	9	135.00			-	-	-	-	-	-	315.00
	8.01% - 8.50%	12	880.90	9	411.69	-	-	-	-	-	-	-	-	1,292.59
	8.51% - 9.00%	12	6,271.41	12	5,280.32	11	1,441.49	-	-	-	-	-	-	12,993.22
	9.01% - 9.50%	12	5,203.40	12	3,008.69	1	49.96	-	-	-	-	-	-	8,262.05
	9.51% - 10.00%	12	2,837.20	12	536.69	11	118.39	-	-	-	-	-	-	3,492.29
	10.01% - 10.50%	12	3,070.33	12	972.84	3	54.55	-	-	-	-	-	-	4,097.72
	10.51% - 11.00%	12	2,026.90	3	82.95	-	-	-	-	-	-	-	-	2,109.85
	11.01% - 11.50%	12	655.42	1	11.67	-	-	-	-	-	-	-	-	667.08
	11.51% - 12.00%	7	116.67			-	-	-	-	-	-	-	-	116.67
	12.01% - 12.50%			-	-	-	-	-	-	-	-	-	-	-
Above 3 Years	10.01% - 10.50%	12	510.22	12	411.23	8	222.22			-	-	-	-	1,143.67
	12.51% - 13.00%			-	-	-	-	-	-	-	-	-	-	-
Quarterly														
	08.01% - 08.50%	3	75.00	4	100.00	3	75.00							250.00
	8.51% - 9.00%	12	555.00	11	494.99	4	99.81	-	-	-	-	-	-	1,149.80
	9.01% - 9.50%	12	1,721.94	11	1,321.92	1	22.22	-	-	-	-	-	-	3,066.09
	9.51% - 10.00%	12	588.14	7	240.42	3	87.50	-	-	-	-	-	-	916.06
Upto 3 Years	10.01% - 10.50%	8	213.89	2	53.43	-	-	-	-	-	-	-	-	267.32
	10.51% - 11.00%	4	133.29	3	62.01			-	-	-	-	-	-	195.30
	11.01% - 11.50%	3	63.75			-	-	-	-	-	-	-	-	63.75
	11.51% - 12.00%	4	198.44			-	-	-	-	-	-	-	-	198.44
Above 3 Years	9.01% - 9.50%	4	21.66	1	5.40	-	-	-	-	-	-	-	-	27.06
	9.51% - 10.00%	4	940.00	4	877.50	4	440.00	4	415.00	3	240.00	-	-	2,912.50
Half Yearly														
	07.01% - 07.50%	2	1,500.00											1,500.00
Upto 3 Years	9.51% - 10.00%	2	268.75	-	-	-	-	-	-	-	-	-	-	268.75
	10.51% - 11.00%	1	325.00	-	-	-	-	-	-	-	-	-	-	325.00
	10.51% - 11.00%	2	16.00	-	-	-	-	-	-	-	-	-	-	16.00
Above 3 Years	11.01% - 11.50%	2	475.00	2	80.00	2	80.00	1	20.00	-	-	-	-	655.00
	11.51% - 12.00%	2	60.00	2	60.00	-	-	-	-	-	-	-	-	120.00
Bullet Repayment														
Upto 3 Years	8.51% - 9.00%	2	1,075.00	-	-	-	-	-	-	-	-	-	-	1,075.00
Debt securities														
Bi-Monthly														
Above 3 Years	10.01% - 10.50%	-	-	-	-	6	450.00			-	-	-	-	450.00
Quarterly														
Upto 3 Years	10.01% - 10.50%	4	525.00	-	-	-	-	-	-	-	-	-	-	525.00
Half Yearly														
Upto 3 Years	11.01% - 11.50%	2	100.00	1	50.00	-	-	-	-	-	-	-	-	150.00
Above 3 Years	10.01% - 10.50%	2	36.00	2	78.00	-	-	-	-	-	-	-	-	114.00
Bullet Repayment														
	9.51% - 10.00%	1	250.00											
	10.01% - 10.50%	1	1,100.00	-	-	-	-	-	-	-	-	-	-	250.00
	10.51% - 11.00%			-	-			-	-	-	-	-	-	1,100.00
Upto 3 Years	11.01% - 11.50%	-	-	3	650.00	-	-	-	-	-	-	-	-	650.00
	11.51% - 12.00%	-	-	3	1,800.00			-	-	-	-	-	-	1,800.00
	12.01% - 12.50%			1	750.00	-	-	-	-	-	-	-	-	750.00
	12.51% - 13.00%	1	350.00	-	-	-	-	-	-	-	-	-	-	350.00
	11.01% - 11.50%	-	-	1	315.00			-	-	-	-	-	-	315.00
Above 3 Years	11.51% - 12.00%	-	-	1	315.00			-	-	-	-	-	-	315.00
	12.51% - 13.00%	2	1,076.00	-	-	-	-	-	-	-	-	-	-	1,076.00
Vehicle														-
Upto 3 Years	7.51% - 8.00%	12	1.03	10	0.85									1.88
ECB														
Bullet Repayment	10.51% - 11.00%	-	-	-	-	1	846.60	-	-	-	-	-	-	846.60
Subordinated liabilities														
Bullet Repayment														
	12.01% - 12.50%	-	-	-	-	-	-	-	-			1.00	300.00	300.00
	12.51% - 13.00%											1.00	250.00	250.00
Above 3 Years	13.51% - 14.00%	1	500.00	1	300.00	-	-	-	-	-	-	-	-	800.00
	14.01% - 14.50%	-	-	1	300.00			-	-	-	-	-	-	300.00
EIR Impact														(139.06)
	TOTAL	**223**	**33,978.80**	**153**	**18,705.61**	**58**	**3,987.75**	**5**	**435.00**	**3**	**240.00**		**550.00**	**57,758.09**

Fusion Micro Finance Limited (formerly known as Fusion Micro Finance Private Limited)
Annexure 6-Notes to Restated Ind AS summary statement

(Rs in millions unless otherwise stated)

17A, 18A and 19A **Terms of Principal repayment of Debt securities/Borrowings (other than debt securities)/Subordinated liabilities as on March 31, 2021**

Original Maturity of loan	Interest rate	Due Within 1 Year		Due Between 1 to 2 Year		Due Between 2 to 3 Year		Due Between 3 to 4 Year		Due Between 4 to 5 Year		Due Between 5 to 6 Year		Total
		No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	
Borrowings (other than debt securities)														
Monthly														
Upto 3 Years	6.01% - 6.50%	12	380.88	3	57.48	-	-	-	-	-	-	-	-	438.36
	6.51% - 7.00%	1	125.00	-	-	-	-	-	-	-	-	-	-	125.00
	7.51% - 8.00%	12	1.00	12	1.00	12	1.00	-	-	-	-	-	-	3.00
	8.51% - 9.00%	12	219.44	10	145.83	-	-	-	-	-	-	-	-	365.28
	9.01% - 9.50%	12	846.43	12	470.24	-	-	-	-	-	-	-	-	1,316.67
	9.51% - 10.00%	12	3,045.43	12	2,542.45	3	93.75	-	-	-	-	-	-	5,681.63
	10.01% - 10.50%	12	1,675.36	12	1,117.14	1	13.79	-	-	-	-	-	-	2,806.29
	10.51% - 11.00%	12	3,192.12	12	1,747.11	-	-	-	-	-	-	-	-	4,939.24
	11.01% - 11.50%	12	2,110.09	12	671.78	1	11.67	-	-	-	-	-	-	2,793.53
	11.51% - 12.00%	12	410.21	7	116.67	-	-	-	-	-	-	-	-	526.88
	12.01% - 12.50%	7	57.15	-	-	-	-	-	-	-	-	-	-	57.15
Above 3 Years	10.51% - 11.00%	12	158.59	12	176.95	5	79.63	-	-	-	-	-	-	415.17
	12.51% - 13.00%	11	366.67	-	-	-	-	-	-	-	-	-	-	366.67
Quarterly														
Upto 3 Years	9.51% - 10.00%	8	500.00	8	425.00	-	-	-	-	-	-	-	-	925.00
	10.01% - 10.50%	8	932.64	8	276.39	2	53.47	-	-	-	-	-	-	1,262.50
	10.51% - 11.00%	10	1,024.70	8	239.68	3	62.43	-	-	-	-	-	-	1,326.82
	11.01% - 11.50%	6	492.50	3	63.75	-	-	-	-	-	-	-	-	556.25
	11.51% - 12.00%	5	733.12	3	214.77	-	-	-	-	-	-	-	-	947.89
Above 3 Years	9.51% - 10.00%	4	700.00	4	700.00	4	637.50	4	200.00	4	175.00	-	-	2,412.50
	10.01% - 10.50%	4	21.67	4	21.66	1	5.42	-	-	-	-	-	-	48.75
	12.01% - 12.50%	1	16.67	-	-	-	-	-	-	-	-	-	-	16.67
Half Yearly														
Upto 3 Years	6.51% - 7.00%	2	650.00	1	325.00	-	-	-	-	-	-	-	-	975.00
	9.51% - 10.00%	2	725.00	-	-	-	-	-	-	-	-	-	-	725.00
Above 3 Years	10.51% - 11.00%	2	16.00	2	16.00	-	-	-	-	-	-	-	-	32.00
	11.01% - 11.50%	2	640.00	2	475.00	2	80.00	2	80.00	1	20.00	-	-	1,295.00
	11.51% - 12.00%	2	255.00	2	60.00	2	60.00	-	-	-	-	-	-	375.00
Bullet Repayment														
Upto 3 Years	8.51% - 9.00%	3	1,875.00	-	-	-	-	-	-	-	-	-	-	1,875.00
	9.51% - 10.00%	1	500.00	-	-	-	-	-	-	-	-	-	-	500.00
	10.01% - 10.50%	1	200.00	-	-	-	-	-	-	-	-	-	-	200.00
Debt securities														
Bi-Monthly														
Above 3 Years	10.01% - 10.50%	-	-	-	-	-	-	6	450.00	-	-	-	-	450.00
Quarterly														
Upto 3 Years	10.01% - 10.50%	3	375.00	1	125.00	-	-	-	-	-	-	-	-	500.00
Half Yearly														
Upto 3 Years	11.01% - 11.50%	2	100.00	2	100.00	1	50.00	-	-	-	-	-	-	250.00
Above 3 Years	10.01% - 10.50%	2	36.00	2	36.00	2	78.00			-	-	-	-	150.00
Bullet Repayment														
Upto 3 Years	9.51% - 10.00%	-	-	1	250.00	-	-	-	-	-	-	-	-	250.00
	10.01% - 10.50%	1	500.00	1	1,100.00	-	-	-	-	-	-	-	-	1,600.00
	11.01% - 11.50%	-	-	-	-	3	650.00	-	-	-	-	-	-	650.00
	11.51% - 12.00%	1	150.00	-	-	2	600.00	-	-	-	-	-	-	750.00
	12.01% - 12.50%	2	600.00	-	-	-	-	-	-	-	-	-	-	600.00
Above 3 Years	11.01% - 11.50%	-	-	-	-	1	315.00	-	-	-	-	-	-	315.00
	11.51% - 12.00%	-	-	-	-	1	315.00	-	-	1	500.00	1	700.00	1,515.00
	12.01% - 12.50%	-	-	-	-	-	-	-	-	-	-	1	750.00	750.00
	12.51% - 13.00%	1	470.00	1	526.00	-	-	-	-	1	900.00	-	-	1,896.00
	13.51% - 14.00%	1	250.00	-	-	-	-	-	-	-	-	-	-	250.00
Subordinated liabilities														
Bullet Repayment														
Above 3 Years	13.51% - 14.00%	-	-	1	500.00	1	300.00	-	-	-	-	-	-	800.00
	14.01% - 14.50%	-	-	-	-	1	300.00	-	-	-	-	-	-	300.00
	15.01% - 15.50%	1	70.00	-	-	-	-	-	-	-	-	-	-	70.00
EIR Impact														(81.72)
	TOTAL	**214**	**24,421.66**	**158**	**12,500.90**	**48**	**3,706.67**	**12**	**730.00**	**7**	**1,595.00**	**2**	**1,450.00**	**44,322.50**

17A, 18A and 19A **Terms of Principal repayment of Debt securities/Borrowings(other than debt securities)/Subordinated liabilities as on March 31, 2020** (Rs in millions unless otherwise stated)

Original maturity of loan	Interest rate	Due Within 1 Year		Due Between 1 to 2 Year		Due Between 2 to 3 Year		Due Between 3 to 4 Year		Due Between 4 to 5 Year		Due Between 5 to 6 Year		Total
		No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	
Borrowings (other than debt securities)														
Monthly														
Upto 3 Years	6.01% - 6.50%	11	211.64	12	230.88	3	57.39	-	-	-	-	-	-	499.91
	9.51% - 10.00%	12	811.66	11	149.21	-	-	-	-	-	-	-	-	960.87
	10.01% - 10.50%	12	931.04	12	825.81	5	37.50	-	-	-	-	-	-	1,794.35
	10.51% - 11.00%	12	1,220.33	12	756.84	9	146.78	-	-	-	-	-	-	2,123.95
	11.01% - 11.50%	12	2,609.74	12	1,263.33	-	-	-	-	-	-	-	-	3,873.07
	11.51% - 12.00%	12	516.80	12	374.76	7	116.67	-	-	-	-	-	-	1,008.23
	12.01% - 12.50%	12	811.05	6	52.98	-	-	-	-	-	-	-	-	864.03
	12.51% - 13.00%	6	106.25	-	-	-	-	-	-	-	-	-	-	106.25
Above 3 year	10.51% - 11.00%	10	122.81	12	162.93	12	181.79	2	32.47	-	-	-	-	500.00
	12.51% - 13.00%	10	333.33	12	400.00	1	33.33	-	-	-	-	-	-	766.66
Quarterly														
1 -3 year	10.01% - 10.50%	7	1,075.00	-	-	-	-	-	-	-	-	-	-	1,075.00
	10.51% - 11.00%	11	1,513.71	10	980.66	4	72.60	-	-	-	-	-	-	2,566.97
	11.01% - 11.50%	11	1,483.93	3	187.50	-	-	-	-	-	-	-	-	1,671.43
	11.51% - 12.00%	8	1,268.83	6	697.40	2	27.27	-	-	-	-	-	-	1,993.50
	12.01% - 12.50%	2	27.21	-	-	-	-	-	-	-	-	-	-	27.21
	12.51% - 13.00%	3	187.50	1	62.50	-	-	-	-	-	-	-	-	250.00
Above 3 year	10.01% - 10.50%	3	16.25	4	21.67	4	21.67	1	5.42	-	-	-	-	65.01
	12.01% - 12.50%	4	66.67	1	16.67	-	-	-	-	-	-	-	-	83.34
	13.01% - 13.50%	1	20.00	-	-	-	-	-	-	-	-	-	-	20.00
Half-yearly														
Above 3 year	10.51% - 11.00%	2	68.00	2	16.00	2	16.00	-	-	-	-	-	-	100.00
	11.01% - 11.50%	2	640.00	2	640.00	2	475.00	2	80.00	2	80.00	1	20.00	1,935.00
	11.51% - 12.00%	2	450.00	2	255.00	2	60.00	2	60.00	-	-	-	-	825.00
Bullet repayment														
1 -3 Year	10.01% - 10.50%	3	1,325.00	1	200.00	-	-	-	-	-	-	-	-	1,525.00
Debt securities														
Half-yearly														
1 -3 Year	12.01% - 12.50%	1	33.33	-	-	-	-	-	-	-	-	-	-	33.33
Bullet repayment														
1 -3 Year	12.01% - 12.50%	1	190.00	2	600.00	-	-	-	-	-	-	-	-	790.00
	13.01% - 13.50%	1	310.00	-	-	-	-	-	-	-	-	-	-	310.00
Above 3 Year	12.51% - 13.00%	-	-	1	470.00	1	526.00	1	630.00	-	-	1	900.00	2,526.00
	13.01% - 13.50%	-	-	1	250.00	-	-	-	-	-	-	-	-	250.00
	14.51% - 15.00%	1	100.00	-	-	-	-	-	-	-	-	-	-	100.00
Subordinated liabilities														
Bullet repayment														
Above 3 year	13.51% - 14.00%	-	-	-	-	1	500.00	1	300.00	-	-	-	-	800.00
	14.01% - 14.50%	-	-	-	-	-	-	1	300.00	-	-	-	-	300.00
	15.01% - 15.50%	1	70.00	-	-	-	-	-	-	-	-	-	-	70.00
EIR impact														(77.27)
Total		**173**	**16,520.08**	**137**	**8,614.14**	**55**	**2,272.00**	**10**	**1,407.89**	**2**	**80.00**	**2**	**920.00**	**29,736.85**

Fusion Micro Finance Limited (formerly known as Fusion Micro Finance Private Limited)
Annexure 6-Notes to Restated Ind AS summary statement

(Rs in millions unless otherwise stated)

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
20	**Other financial liabilities (at amortised cost)**			
	Payable towards assigned/securitized portfolio	603.58	177.46	179.91
	Interest accrued but not due on borrowings	256.85	373.39	224.69
	Salaries and bonus payable	197.80	159.68	99.70
	Lease liabilities (refer note 53)	81.82	84.63	-
	Other payable	194.27	470.82	8.98
	Total	**1,334.32**	**1,265.98**	**513.28**
21	**Current tax liabilities (net)**			
	Provision for tax (net)	1.04	53.98	0.53
	Total	**1.04**	**53.98**	**0.53**
22	**Provisions**			
	Provision for gratuity (refer note 39)	3.53	5.17	-
	Provision for compensated absence (refer note 39)	46.52	37.34	25.16
	Provision on business correspondence portfolio	-	-	6.01
	Provision for other contingencies*	20.26	37.48	25.89
	Others	1.37	0.77	0.66
	Total	**71.68**	**80.76**	**57.72**
	*Provisions are for cash loss and related contingencies.			
23	**Other non-financial liabilities**			
	Statutory dues payable	104.48	77.18	59.72
	Others	2.00	2.32	2.24
	Total	**106.48**	**79.50**	**61.96**
24	**Share Capital** **Authorised share capital**			
	Equity shares March 31, 2022 : 105,000,000 (March 31, 2021 : 90,000,000 and March 31, 2020 : 90,000,000) equity shares of Rs. 10 each	1,050.00	900.00	900.00
	Preference shares March 31, 2022 : Nil (March 31, 2021 : 5,000,000 and March 31, 2020 : 5,000,000) preference shares of Rs. 10 each	-	50.00	50.00
		1,050.00	**950.00**	**950.00**
25	**A. Equity Share capital**			
	Issued, subscribed and paid-up			
	Equity shares *Fully paid up* March 31, 2022 : 84,326,388 (March 31, 2021 : 80,383,716 and March 31, 2020 : 80,383,716) equity shares of Rs. 10 each fully paid up	843.26	803.84	803.84
	Partly paid up March 31, 2022: Nil and (March 31, 2021 : 3,942,672 and March 31, 2020 : 3,942,672) equity shares of Rs. 10 each partly paid up @ Rs. 1	-	3.94	3.94
	Less: treasury shares	(15.66)	(17.41)	(18.28)
	Total	**827.60**	**790.37**	**789.50**

(Rs in millions unless otherwise stated)

a The reconciliation of the number of equity shares outstanding as at the beginning and the end of the reporting year is set out below :

Particulars	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount	Number of share	Amount
Equity shares						
At the commencement of the year						
Fully paid up	8,03,83,716	803.84	8,03,83,716	803.84	6,26,21,180	626.21
Partly paid up	39,42,672	3.94	39,42,672	3.94	30,99,408	3.10
Movement during the year						
Allotted to Fusion employee benefit trust	-	-	-	-	5,49,647	5.50
Conversion of partly paid up into fully paid up	39,42,672	39.42	-	-	-	-
Conversion of partly paid up into fully paid up	(39,42,672)	(3.94)	-	-	-	-
Issued during the year (fully paid up)	-	-	-	-	1,72,12,889	172.13
Issued during the year (partly paid up@ Rs. 1)	-	-	-	-	8,43,264	0.84
At the end of the year (A)	**8,43,26,388**	**843.26**	**8,43,26,388**	**807.78**	**8,43,26,388**	**807.78**
Treasury shares						
At the commencement of the year	(17,40,626)	(17.41)	(18,27,536)	(18.28)	(13,53,559)	(13.54)
Issued for cash on exercise of share options	1,74,641	1.75	86,910	0.87	75,670	0.76
Allotted to Fusion employee benefit trust	-	-	-	-	(5,49,647)	(5.50)
At the end of the year (B)	**(15,65,985)**	**(15.66)**	**(17,40,626)**	**(17.41)**	**(18,27,536)**	**(18.28)**
At the end of the year (A+B)	**8,27,60,403**	**827.60**	**8,25,85,762**	**790.37**	**8,24,98,852**	**789.50**

b Rights, preferences and restrictions attached to equity shares :

The Company has single class of equity shares having a par value of Rs. 10 per equity share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c Shares held by promoters at the end of the year

	March 31, 2022			March 31, 2021			March 31, 2020		
	Number of shares	% of Holding	% Change during the year	Number of shares	% of Holding	% Change during the year	Number of shares	% of Holding	% Change during the year
Promoter									
Devesh Sachdev	55,53,414	6.59%	0%	55,53,414	6.59%	0.00%	55,53,414	6.59%	-0.58%
Creation Investments Fusion II, LLC, Chicago, U.S.A*	99,54,529	11.80%	0%	99,54,529	11.80%	0.00%	99,54,529	11.80%	3.99%
Creation Investments Fusion, LLC, Chicago, U.S.A*	1,53,21,043	18.17%	0%	1,53,21,043	18.17%	0.00%	1,53,21,043	18.17%	-5.14%
Honey Rose Investment Ltd*	4,10,22,730	48.65%	0%	4,10,22,730	48.65%	0.00%	4,10,22,730	48.65%	5.09%

* Promoter's since July 25, 2021

d Particulars of equity shareholder holding more than 5% equity shares:

Name of the shareholder	March 31, 2022		March 31, 2021		March 31, 2020	
	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding
Devesh Sachdev - Managing Director & Chief Executive Officer	55,53,414	6.59%	55,53,414	6.59%	55,53,414	6.59%
Oikocredit, Ecumenical Development Co-operative Society U.A., Netherlands	66,06,375	7.83%	66,06,375	7.83%	66,06,375	7.83%
Creation Investments Fusion, LLC, Chicago, U.S.A.	1,53,21,043	18.17%	1,53,21,043	18.17%	1,53,21,043	18.17%
Creation Investments Fusion II, LLC, Chicago, U.S.A	99,54,529	11.80%	99,54,529	11.80%	99,54,529	11.80%
Honey Rose Investment Ltd, Mauritius	4,10,22,730	48.65%	4,10,22,730	48.65%	4,10,22,730	48.65%
	7,84,58,091	**93.04%**	**7,84,58,091**	**93.04%**	**7,84,58,091**	**93.04%**

e Particulars of shares reserved for issue under employee stock options

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Under Employee Stock Option Plans	1,352,454*	1,352,454*	1,352,454*

* With reference to the amendment agreement dated December 17, 2019 to the Shareholder's agreement dated September 10, 2018, the Company will institute an employee stock option plan, pursuant to which it will grant and allot 1,352,454 equity shares of the Company to certain identified employees.

f No share was allotted without payment being received in cash during the five-year period immediately preceding the year ended March 31, 2022, March 31, 2021 and March 31, 2020

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(Rs in millions unless otherwise stated)

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
26	**Other equity**			
	Statutory reserve			
	Balance as at the beginning of the year	410.33	322.44	183.22
	Add: Amount transferred from retained earnings	43.51	87.89	139.22
	Balance as at the end of the year	**453.84**	**410.33**	**322.44**
	Securities premium			
	Balance as at the beginning of the year	10,091.67	10,087.57	5,180.76
	Add: On issue of shares	606.02	-	4,907.04
	Add: Transfer from stock option outstanding	11.08	4.10	2.83
	Less : Amount utilised towards share issue expenses	-	-	(3.06)
	Balance as at the end of the year	**10,708.77**	**10,091.67**	**10,087.57**
	Treasury Shares #			
	Balance as at the beginning of the year	(138.14)	(141.37)	(63.78)
	Add: On issue of shares	-	-	(79.17)
	Add: Exercise and lapse of share options	11.44	3.23	1.58
	Balance as at the end of the year	**(126.70)**	**(138.14)**	**(141.37)**
	Retained earnings			
	Balance as at the beginning of the year	1,234.29	880.38	321.21
	Add: Profit for the year	217.55	439.44	696.10
	Add: Stock options lapsed	3.73	2.36	2.29
	Less : Amount transferred to statutory reserve	(43.51)	(87.89)	(139.22)
	Balance as at the end of the year	**1,412.06**	**1,234.29**	**880.38**
	Employee stock option plan reserve			
	Balance as at the beginning of the year	68.46	43.83	19.88
	Add: Compensation for options granted	39.24	30.40	28.21
	Less: Exercise & lapse of stock options	(8.82)	(5.77)	(4.26)
	Less: Lapse of stock options	(3.73)	-	-
	Balance as at the end of the year	**95.15**	**68.46**	**43.83**
	Remeasurement of defined benefit plans ((gain)/loss)			
	Balance as at the beginning of the year	6.57	6.54	1.48
	Other comprehensive income for the year	2.22	0.03	5.06
	Balance as at the end of the year	**8.79**	**6.57**	**6.54**
	Total Other Equity	**12,551.91**	**11,673.18**	**11,199.39**

Nature and purpose of other reserve :

These treasury shares excludes amount adjusted from equity share capital.

Statutory reserve
The said reserve has been created under section 45-IC of Reserve Bank of India Act, 1934. As per the said section, every Non-banking financial company shall create a reserve fund and transfer a sum of not less than 20% of net profit every year before declaration of dividend.

Securities premium
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Treasury Shares

Treasury shares represents shares held by ESOP trust. The Company treats ESOP trust as its extension and shares held by ESOP trust are treated as treasury shares. Treasury share amount excluding amount adjusted from equity share capital are recognized under this head. Exercise price received on equity share issued in excess of face value of share capital against share option exercised are adjusted from treasury shares.

Retained Earnings
The said amount represents accumulated surplus/(deficit) of the profits earned by the Company.

Employee stock option plan reserve
The said amount is used to recognise the grant date fair value of options issued to employees by the Company.

Remeasurement of defined benefit plans
Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:
(a) actuarial gains and losses
(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

(Rs in millions unless otherwise stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
27	**Interest Income**			
	On financial asset measured at amortized cost			
	Interest income on loan portfolio	10,566.31	8,059.97	6,499.72
	Interest on deposits with banks	76.88	215.67	165.16
	Total	**10,643.19**	**8,275.64**	**6,664.88**
28	**Fees and commission income**			
	Facilitation fees	13.86	5.08	7.18
	Income from business correspondence services	-	2.11	27.46
	Total	**13.86**	**7.19**	**34.64**
29	**Net gain on fair value changes**			
	- On trading portfolio			
	Net gain on sale of mutual fund investment	247.65	167.45	231.57
	-Others	-	-	-
	Total	**247.65**	**167.45**	**231.57**
	Fair value changes :			
	- Realised	247.65	167.45	231.57
	- Unrealised	-	-	-
	Total	**247.65**	**167.45**	**231.57**
30	**Net gain on derecognition of financial instruments under amortised cost category**			
	Gain on derecognition of financial instruments (refer note 46)	607.95	107.84	271.55
		607.95	107.84	271.55
31	**Other income**			
	Market support income	426.87	145.39	74.10
	Recovery of loan written off	69.74	18.04	24.76
	Miscellaneous income	4.23	9.33	1.61
	Total	**500.84**	**172.76**	**100.47**
32	**Finance costs**			
	On financial liabilities measured at amortized cost			
	Interest on debt securities	1,049.55	762.80	615.74
	Interest on borrowings (other than debt securities)	3,712.85	2,817.54	2,594.82
	Interest on subordinated liabilities	155.06	165.40	165.59
	Interest on lease liability	8.88	5.30	-
	Other finance costs	-	-	0.57
	Other interest expense			
	Net loss on fair value of derivative contracts measured at fair value through profit or loss	77.11	-	-
	Net gain or loss on foreign currency transaction and translation on external commercial borrowing	(43.81)	-	-
	Total	**4,959.64**	**3,751.04**	**3,376.72**
33	**Impairment on financial instruments**			
	On financial assets measured at amortised cost			
	Impairment on loan portfolio	3,684.92	2,196.71	913.66
	Other financial assets	2.01	11.09	13.33
	Total	**3,686.93**	**2,207.80**	**926.99**

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(Rs in millions unless otherwise stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
34	**Employee benefit expenses**			
	Salaries, wages and bonus	2,063.86	1,497.18	1,304.55
	Contribution to provident and other funds *	169.61	122.37	109.21
	Share based compensation expense	39.24	30.40	28.21
	Staff welfare expenses	57.95	36.45	41.36
	Total	**2,330.66**	**1,686.40**	**1,483.33**

* Contribution to provident fund is net of March 31,2022 Rs. 1.71 million (March 31, 2021-Rs. 7.25 million and Rs. March 31, 2020 -Rs. 8.45 million) received under the scheme "Pradhan Mantri Rojgar Protsahan Yojana" .

35	**Other expenses**			
	Rent (refer note 53)	147.33	110.79	97.89
	Travelling and conveyance	118.33	74.80	81.62
	Legal and professional fees*	46.82	20.94	45.63
	Rates and taxes	52.97	40.65	31.13
	Office maintenance	184.20	128.09	123.85
	Water and electricity	29.82	19.63	17.62
	Staff recruitment and training	7.35	2.49	6.90
	Insurance	23.92	12.26	8.97
	Corporate social responsibility #	15.60	12.73	10.09
	Business promotion	0.87	0.62	5.14
	Lodging and boarding	23.99	10.18	21.56
	Cash management services	48.85	13.60	3.26
	Credit bureau expenses	11.85	7.18	7.69
	Membership fees	6.34	4.70	6.02
	Miscellaneous expenses	20.05	20.13	22.99
	Total	**738.29**	**478.79**	**490.36**
	***Includes payment to auditors**			
	Audit fees	7.20	2.70	2.40
	Certification and other services	0.50	0.30	0.55
	Out of pocket expenses	0.06	0.05	0.05
		7.76	**3.05**	**3.00**

 # Details of corporate social responsibility expenditure

a) Gross amount required to be spent by the Company for respective financial period	15.60	8.22	2.63
b) Amount approved by the board to be spent during the period	15.60	12.73	12.00
c) Amount spent during the year :			
i) construction/acquisition of any asset			
ii) on purposes other than (i) above	15.60	12.73	10.09
(iii) (Shortfall) / Excess at the end of the year	-	-	-
(iv) Total of previous years shortfall	-	-	-
(v) Details of related party transactions	-	-	-

For the year ended March 31, 2022, March 31, 2021 and March 31, 2020, the Company has spent in below project as per schedule VII of the Companies Act, 2013.

Nature of CSR activities carried out -

a) abolishing poverty, malnourishment and hunger, improvising health care which includes preventive health care and sanitation and making available safe drinking water.	4.84	2.46	2.77
b) improvement in education which includes special education and employment strengthening vocation skills among children, women, elderly and the differently-abled and livelihood enhancement projects.	3.32	1.23	4.53
c) Safeguarding environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining a quality of soil, air and water which also includes a contribution for rejuvenation of river Ganga.	1.17	0.10	0.11

(Rs in millions unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
d) Training to stimulate rural sports, nationally recognized sports, Paralympic sports and Olympic sports.	1.00	0.80	1.04
e)Disaster management, including relief, rehabilitation and reconstruction activities.	5.27	8.14	1.64
	15.60	**12.73**	**10.09**

36 Income tax

a. Income tax expense in the restated statement of profit and loss consist of:

	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Current income tax:			
Income tax	129.77	588.71	395.99
Deferred tax:			
Attributable to-			
Origination and reversal of temporary differences	(103.06)	(460.24)	(148.06)
Increase/reduction in tax rate		-	55.92
Income tax expense reported in the restated statement of profit or loss	**26.71**	**128.47**	**303.85**
Income tax recognised in restated other comprehensive income			
Deferred tax arising on remeasurement gains on defined benefit plan	0.74	0.01	1.40
Total income tax expense	**27.45**	**128.48**	**305.25**

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Income tax recognised in restated other comprehensive income

(Rs in millions unless otherwise stated)

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021			For the year ended March 31, 2020		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Remeasurements of the net defined benefit liability/asset	2.96	(0.74)	2.22	0.04	(0.01)	0.03	6.46	(1.40)	5.06
Total	**2.96**	**(0.74)**	**2.22**	**0.04**	**(0.01)**	**0.03**	**6.46**	**(1.40)**	**5.06**

Note: The company had elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by Taxation Laws (Amendment) Ordinance 2019.

b. Reconciliation of total tax charge

The tax charge shown in the restated statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2022 , year ended March 31, 2021 and year ended March 31, 2020 is, as follows:

Particulars	For the year ended March 31,2022		For the year ended March 31,2021		For the year ended March 31, 2020	
	Enacted tax rate	Amount	Enacted tax rate	Amount	Enacted tax rate	Amount
Restated accounting profit before tax	25.17%	244.26	25.17%	567.91	25.17%	999.95
Computed tax expense		61.48		142.93		251.67
Effect of:						
Non-deductible expenses	5.65%	13.80	1.91%	10.86	0.97%	9.66
Difference on account of change in tax rate (effect of deferred tax due to change in enacted tax rate)	-	-	0.00%	-	5.59%	55.92
Deduction under chapter VIA	-19.99%	(48.82)	-4.41%	(25.06)	-1.32%	(13.23)
Others	0.10%	0.25	-0.05%	(0.26)	-0.02%	(0.17)
Effective tax rate/income tax expense reported in restated statement of profit and loss	**10.93%**	**26.71**	**22.62%**	**128.47**	**30.39%**	**303.85**

37 Earning per share	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Basic earning per share			
Profit for the year before Other comprehensive income as per Statement of profit and loss	217.55	439.44	696.10
Profit after tax for calculation of basic EPS and diluted EPS	217.55	439.44	696.10
Weighted average number of equity shares outstanding during the year	81.50	78.97	66.48
b) Diluted earning per share			
Profit for the year before Other comprehensive income as per Statement of profit and loss	217.55	439.44	696.10
Weighted average number of equity shares outstanding during the year - basic	81.50	78.97	66.48
Add: Weighted average number of potential equity shares on account of employee stock options	0.92	1.01	0.94
Weighted average number of equity shares outstanding during the year - diluted	82.42	79.98	67.42
Earning per share			
Basic - par value of Rs.10 each	**2.67**	**5.56**	**10.47**
Diluted - par value of Rs.10 each	**2.64**	**5.49**	**10.32**

38 Segment reporting

The Managing Director and Chief Executive Officer of the Company takes decision in respect of allocation of resources and assesses the performance basis the report/ information provided by functional heads and are thus considered to be Chief Operating Decision Maker (CODM).

The Company operates under the principal business segment viz. "micro financing activities ". The CODM views and monitors the operating results of its single business segment for the purpose of making decisions about resource allocation and performance assessment. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the Restated Ind AS statements. Presently, the Company's operations are predominantly confined in India. There are no individual customer contributing more than 10% of Company's total revenue. All non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets of the Company are located in India.

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(Rs in millions unless otherwise stated)

39 Employee benefit plan

The Company operates the following post-employment plans -

i. Defined contribution plan

The Company makes contribution, determined as a specified percentage of employees salaries, in respect of qualified employees towards provident fund and other funds which are defined contribution plans. The Company has no obligation other than this to make the specified contribution. The contribution is charged to the statement of profit and loss as they accrue.

Particulars	**For the Year ended March 31, 2022**	**For the Year ended March 31, 2021**	**For the Year ended March 31, 2020**
Contribution to provident funds*	117.67	82.11	73.09
Contribution to employee state insurance	26.96	21.29	23.12
National pension scheme	1.31	0.75	-
Labour welfare fund	0.56	0.36	0.29
	146.50	**104.51**	**96.50**

* Contribution to provident fund is net of Rs. 1.71 million received for the year ended March 31, 2022 (Rs. 7.25 million-March 31, 2021 and Rs. 8.45 million-March 31, 2020) received under the scheme "Pradhan Mantri Rojgar Protsahan Yojana"

ii. Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service as per "The Payment of Gratuity Act, 1972 "as amended from time to time. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the projected unit credit method.

The following tables summarized the components of net benefit expenses recognized in the statement of profit and loss and the funded status and amounts recognized in the restated statement of assets and liabilities for the gratuity plan.

Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Present value of obligation	94.83	70.57	43.98
Fair value of plan assets	91.10	65.19	53.80
Net defined benefit liability/(asset) *	**3.73**	**5.38**	**(9.82)**

* The amount disclosed in note 20 for year ended March 31, 2022 and March 31, 2021, March 31, 2020 include Rs. 0.2 million, advanced to gratuity trust for bank account opening.

Amount recognized in the restated statement of profit and loss is as under:

Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Current service cost	25.77	18.45	19.34
Net interest cost/(income) on the net defined benefit liability/(asset)	0.30	(0.55)	(0.17)
Expenses recognized in the restated statement of profit and loss	**26.07**	**17.90**	**19.17**

Amount recognized in the restated other comprehensive income:

Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Actuarial gain/(loss) recognized during the year	2.96	0.04	6.46
	2.96	0.04	6.46

(a) Funding

The scheme is fully funded with Kotak Gratuity Group Plan. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. Employees do not contribute to the plan.

Expected contribution to gratuity plan for the year ending March 31,2023 is Rs. 35.74 million.

(b) Reconciliation of the net defined benefit (asset) / liability

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

Particulars	**As at March 31, 2022**			**As at March 31, 2021**			**As at March 31, 2020**		
	Defined benefit obligation	**Fair value of plan assets**	**Net defined benefit (asset)/ liability**	**Defined benefit obligation**	**Fair value of plan assets**	**Net defined benefit (asset)/ liability**	**Defined benefit obligation**	**Fair value of plan assets**	**Net defined benefit (asset)/ liability**
Balance at the beginning of the year	70.57	65.19	5.38	43.98	53.80	(9.82)	31.47	33.67	(2.20)
Included in restated profit or loss									
Current service cost	25.77	-	25.77	18.45	-	18.45	19.34	-	19.34
Interest cost (income)	3.98	3.68	0.30	2.44	2.98	(0.54)	2.44	2.61	(0.17)
Total	**29.75**	**3.68**	**26.07**	**20.89**	**2.98**	**17.91**	**21.78**	**2.61**	**19.17**
Included in restated other comprehensive income									
Remeasurements loss (gain)									
– Actuarial loss/(gain) arising from:									
- demographic assumptions			-	(2.93)	-	(2.93)	(22.50)	-	(22.50)
- financial assumptions	(2.35)		(2.35)	7.71	-	7.71	15.02	-	15.02
- experience adjustment	0.37		0.37	1.96	-	1.96	(0.46)	-	(0.46)
– Return on plan assets excluding interest income		0.98	(0.98)	-	6.78	(6.78)	-	(1.48)	1.48
Total	**(1.98)**	**0.98**	**(2.96)**	**6.74**	**6.78**	**(0.04)**	**(7.94)**	**(1.48)**	**(6.46)**
Other									
Contribution paid by the employer		21.35	(21.35)	-	1.63	(1.63)	-	19.00	(19.00)
Benefits paid	(3.51)	(0.10)	(3.41)	(1.04)	-	(1.04)	(1.33)	-	(1.33)
Total	**(3.51)**	**21.25**	**(24.76)**	**(1.04)**	**1.63**	**(2.67)**	**(1.33)**	**19.00**	**(20.33)**
Balance at the end of the year	**94.83**	**91.10**	**3.73**	**70.57**	**65.19**	**5.38**	**43.98**	**53.80**	**(9.82)**

(c) Major categories of plan assets (as percentage of total plan assets):

Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31,2020**
Investment with Kotak gratuity group plan	100%	100%	100%

On an annual basis, an asset-liability matching study is done by the Company whereby the Company contributes the net increase in the actuarial liability to the plan manager (insurer) in order to manage the liability risk.

(Rs in millions unless otherwise stated)

(d) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	**As at March 31,2022**	**As at March 31, 2021**	**As at March 31,2020**
Discount rate	6.10%	5.65%	6.00%
Future long term salary growth	10.00%	10.00%	8.00%
Withdrawal rate:	22.00%	22.00%	20.00%
Retirement age (in year)	60.00	60.00	60.00
Expected rate of return on plan assets	6.10%	5.65%	6.00%
Mortality	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14

(e) Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

Particulars	**As at March 31, 2022**		**As at March 31, 2021**		**As at March 31, 2020**	
	Impact on defined benefit		**Impact on defined benefit obligation**		**Impact on defined benefit**	
	Increase	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1.00% movement)	89.95	100.21	66.77	74.76	41.44	46.79
Salary growth rate (1.00% movement)	99.96	90.07	74.55	66.88	46.73	41.44
Attrition rate (1.00% movement)	93.33	96.43	69.25	71.97	43.17	44.82
Mortality rate (10.00% movement)	94.82	94.84	70.56	70.58	43.97	43.97

(f) Expected maturity analysis of the defined benefit plans in future years

Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
1 year	13.15	8.51	4.47
Between 2-5 years	54.10	39.55	23.43
Between 6-10 years	39.96	29.81	19.67
Over 10 years	31.66	23.89	17.13
Total	**138.87**	**101.76**	**64.70**

As at March 31, 2022 and March 31,2021 the weighted-average duration of the defined benefit obligation was 5 years (March 31, 2020 - 6 years)

(g) Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows -

Salary increases : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Investment risk : The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligation.

Discount rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability : Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals : Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.
Expected rate of return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

iii Compensated absences

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. Amount recognised in the Statement of profit and loss for compensated absences is as under-

Particulars	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Amount recognised in restated statement of profit and loss	21.38	20.31	15.40
Amount recognized in the restated balance sheet:	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Present value of obligation as at the end	46.52	37.34	25.16

(iv) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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(Rs in millions unless otherwise stated)

40 Amount payable to micro small and medium enterprises

The Ministry of Micro Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the 'entrepreneurs memorandum number' as allotted after filling of the memorandum. Accordingly, the disclosure in respect of the amount payable to such enterprises as at March 31, 2022 , March 31, 2021 and March 31, 2020 has been made in the Restated Ind AS Summary Statements (refer note :16) based on information received and available with the Company.

41 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

Particulars	As at March 31, 2022			As at March 31, 2021			As at March 31, 2020		
	Within 12 months	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Assets									
Cash and cash equivalents	10,113.72	-	10,113.72	12,154.20	-	12,154.20	5,396.67	-	5,396.67
Bank balances other than cash and cash equivalents	920.87	501.39	1,422.26	601.61	596.75	1,198.36	2,231.91	548.91	2,780.82
Trade receivables	43.42	-	43.42	27.93	-	27.93	31.39	-	31.39
Loans	36,339.32	22,842.62	59,181.94	27,218.83	16,388.47	43,607.30	19,737.98	13,691.75	33,429.73
Investments	-	-	-	-	-	-	5.00	-	5.00
Other financial assets	653.31	15.34	668.65	273.95	26.81	300.76	229.04	9.42	238.46
									-
Non-financial assets									-
Current tax assets (net)	-	353.61	353.61	-	119.58	119.58	-	119.09	119.09
Deferred tax assets (net)	-	867.56	867.56	-	765.28	765.28	-	305.02	305.02
Property, plant and equipment	-	122.04	122.04	-	102.74	102.74	-	58.98	58.98
Right of use asset	-	69.17	69.17	-	78.19	78.19	-	-	-
Intangible assets	-	0.71	0.71	-	1.90	1.90	-	1.47	1.47
Other non financial assets	61.20	0.54	61.74	22.77	0.32	23.09	33.22	0.09	33.31
Total Assets	**48,131.84**	**24,772.98**	**72,904.82**	**40,299.29**	**18,080.04**	**58,379.33**	**27,665.21**	**14,734.73**	**42,399.94**
Liabilities									
Financial liabilities									
Derivative financial instruments at fair value through profit or loss	29.70	47.41	77.11	-	-	-	-	-	-
Trade payables	176.59	-	176.59	113.06	-	113.06	40.71	-	40.71
Debt securities	3,234.82	4,602.94	7,837.76	2,467.29	7,437.21	9,904.50	1,257.03	2,741.95	3,998.98
Borrowings (other than debt securities)	29,867.97	18,426.69	48,294.66	21,725.21	11,525.58	33,250.79	15,766.01	8,805.57	24,571.58
Subordinated liabilities	499.66	1,126.01	1,625.67	70.00	1,097.21	1,167.21	69.08	1,097.21	1,166.29
Other financial liabilities	1,259.37	74.96	1,334.32	1,184.76	81.22	1,265.98	513.28	-	513.28
									-
Non-financial liabilities									
Current tax liabilities (net)	1.04	-	1.04	53.98	-	53.98	0.53	-	0.53
Provisions	31.76	39.92	71.68	75.39	5.37	80.76	38.59	19.13	57.72
Other non-financial liabilities	106.48	-	106.48	79.50	-	79.50	61.96	-	61.96
Total Liabilities	**35,207.39**	**24,317.92**	**59,525.31**	**25,769.19**	**20,146.59**	**45,915.78**	**17,747.19**	**12,663.86**	**30,411.05**
Net Assets	**12,924.45**	**455.06**	**13,379.51**	**14,530.10**	**(2,066.55)**	**12,463.55**	**9,918.02**	**2,070.87**	**11,988.89**

42 Reconciliation of cash flows arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows :

Particulars	Debt securities	Borrowings (other than debt securities)	Subordinated liabilities	Total
April 1, 2019	**4,990.05**	**23,130.35**	**1,165.49**	**29,285.89**
Cash flows:				
Repayment	(1,346.34)	(17,800.02)	-	(19,146.36)
Proceeds	348.71	19,247.43	-	19,596.14
Non Cash:				
Amortisation of upfront fees	6.56	(6.18)	0.80	1.18
March 31, 2020	**3,998.98**	**24,571.58**	**1,166.29**	**29,736.85**
Cash flows:				-
Repayment	(660.53)	(20,036.34)	-	(20,696.87)
Proceeds	6,577.19	28,711.21	-	35,288.40
Non Cash:				-
Amortisation of upfront fees	(11.14)	4.34	0.92	(5.88)
March 31, 2021	**9,904.50**	**33,250.79**	**1,167.21**	**44,322.50**
Repayment	(2,531.01)	(25,905.28)	(70.00)	(28,506.29)
Proceeds	450.00	**41,043.00**	**550.00**	42,043.00
Non Cash:				
Amortisation of upfront fees	14.27	(50.04)	(21.54)	(57.31)
Exchange differences (net)	-	(43.81)		(43.81)
March 31, 2022	**7,837.76**	**48,294.66**	**1,625.67**	**57,758.09**

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(Rs in millions unless otherwise stated)

43 Share based compensation

A. Description of share-based payment arrangements

i. Share option programme (equity settled)

The Company has granted stock options to certain employees of the Company under the 'Employee Stock Option Scheme 2014' (Scheme 2014) and 'Employee Stock Option Scheme 2016' (Scheme 2016). The key terms and conditions related to the grant of the stock options are as follows:

a) The Scheme 2014 and 2016 are effective from July 31, 2014 and January 16, 2017 respectively and are administered through a ESOP Trust (Fusion Employees Benefit Trust).

b) The scheme provides that, subject to continued employment with the Company, the employees are granted an option to acquire equity shares of the Company that may be exercised within a specified period.

c) The Company has formed Fusion ESOP Trust on June 24, 2014 to issue ESOPs to employees of the Company as per the respective scheme. The Company has given interest and collateral free loan to the ESOP trust, to provide financial assistance to purchase equity shares of the Company under such schemes. The Trust in turn allots the shares to employees on exercise of their right against cash consideration.

d) As on March 31, 2022, the ESOP trust have 15,65,985 equity shares, (March 31, 2021 - 17,40,626 equity shares , and March 31, 2020 - 18,27,536 equity shares). The ESOP Trust does not have any transaction other than those mentioned above, hence it is treated as an integral part of the Company and accordingly gets consolidated with the books of the Company. Accordingly, as at March 31, 2022, the Company has reduced the shares allotted to ESOP Trust amounting Rs. 15.66 million (March 31, 2021 - Rs. 17.41 million and March 31, 2020 - Rs. 18.28 million) from the share capital and Rs. 126.70 million (March 31, 2021 - Rs. 138.15 million and March 31, 2020 - Rs. 141.36 million) from the share premium. These are shown as treasury shares.

e) The eligible employees shall exercise their option to acquire the shares of the Company within a period of eight years from the end of vesting period. The plan shall be administered, supervised and implemented by the board.

These options shall vest on graded basis as follows:

Time period	Percentage	Vesting condition
On completion of 1 year	25%	Service
On completion of 2 years	25%	Service
On completion of 3 years	25%	Service
On completion of 4 years	25%	Service

B Reconciliation of outstanding share options

Set out below is a summary of options granted under the plan

Particulars	March 31, 2022		March 31, 2021		March 31, 2020	
	Number of share options	Average exercise price per share	Number of share options	Average exercise price per share	Number of share options	Average exercise price per share
Outstanding options at the beginning of the year	20,70,558	156.57	16,20,998	100.84	11,98,643	68.90
Add: Granted during the year	5,18,500	327.50	5,84,500	290.48	5,90,970	157.04
Less: Lapsed/forfeited during the year	65,310	165.12	48,030	88.20	92,945	92.18
Less: Exercised during the year	1,74,641	89.28	86,910	55.50	75,670	44.36
Outstanding options at the end of the year	**23,49,107**	**199.07**	**20,70,558**	**156.57**	**16,20,998**	**100.84**
Options vested and exercisable at the end of the year	9,96,477		7,42,836		4,53,243	

The weighted average share price at the date of exercise for share options exercised during the year ended March 31, 2022 was Rs 129.07 (March 31, 2021 - Rs. 123.49 and March 31, 2020- Rs 116.99).

C Share options outstanding at the end of the year have the following contractual expiry date and exercise options :

Grant date	Number of options	Expiry date	Exercise price	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
March 31, 2016	**2,17,000**					
Tranche 1	54,250	March 31, 2025	27.08	10,250	10,250	10,250
Tranche 2	54,250	March 31, 2026	27.08	10,250	10,250	10,250
Tranche 3	54,250	March 31, 2027	27.08	10,250	19,750	36,500
Tranche 4	54,250	March 30, 2028	27.08	20,000	29,500	43,500
March 31, 2017	**3,41,900**					
Tranche 1	85,475	March 31, 2026	37.99	45,133	49,248	63,173
Tranche 2	85,475	March 31, 2027	37.99	58,560	62,675	76,600
Tranche 3	85,475	March 30, 2028	37.99	67,693	76,601	76,601
Tranche 4	85,475	March 30, 2029	37.99	73,700	85,475	85,475
March 31, 2018	**3,30,540**					
Tranche 1	82,635	March 31, 2027	64.08	42,658	52,318	61,926
Tranche 2	82,635	March 30, 2028	64.08	44,002	53,662	65,143
Tranche 3	82,635	March 30, 2029	64.08	46,323	57,818	67,473
Tranche 4	82,635	March 30, 2030	64.08	50,198	59,045	67,473
March 31, 2019	**4,34,720**					
Tranche 1	1,08,680	March 31, 2028	110.00	56,093	79,829	88,649
Tranche 2	1,08,680	March 31, 2029	110.00	56,092	84,530	96,423
Tranche 3	1,08,680	March 31, 2030	110.00	72,055	94,665	96,423
Tranche 4	1,08,680	March 31, 2031	110.00	85,063	94,665	96,423
September 30, 2019	**5,46,180**					
Tranche 1	1,36,545	September 30, 2028	154.04	1,07,781	1,28,558	1,33,483
Tranche 2	1,36,545	September 30, 2029	154.04	1,12,010	1,31,160	1,33,483
Tranche 3	1,36,545	September 30, 2030	154.04	1,29,910	1,31,160	1,33,483
Tranche 4	1,36,545	September 30, 2031	154.04	1,29,910	1,31,160	1,33,483
November 8, 2019	**31,790**					
Tranche 1	7,948	November 8, 2028	154.04	3,611	6,898	7,948
Tranche 2	7,948	November 8, 2029	154.04	5,848	7,948	7,948
Tranche 3	7,948	November 8, 2030	154.04	6,898	7,948	7,948
Tranche 4	7,948	November 8, 2031	154.04	6,898	7,948	7,948

Grant date	Number of options	Expiry date	Exercise price	Number of options outstanding As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
February 18, 2020	**13,000**					
Tranche 1	3,250	February 18, 2029	290.48	2,200	3,250	3,250
Tranche 2	3,250	February 18, 2030	290.48	2,200	3,250	3,250
Tranche 3	3,250	February 18, 2031	290.48	2,200	3,250	3,250
Tranche 4	3,250	February 19, 2032	290.48	2,200	3,250	3,250
August 19, 2020	**1,62,000**					
Tranche 1	40,500	August 19, 2029	290.48	39,125	40,500	-
Tranche 2	40,500	August 19, 2030	290.48	39,500	40,500	-
Tranche 3	40,500	August 19, 2031	290.48	39,500	40,500	-
Tranche 4	40,500	August 19, 2032	290.48	39,500	40,500	-
November 9, 2020	**67,500**					
Tranche 1	16,875	November 9, 2029	290.48	16,875	16,875	-
Tranche 2	16,875	November 9, 2030	290.48	16,875	16,875	-
Tranche 3	16,875	November 9, 2031	290.48	16,875	16,875	-
Tranche 4	16,875	November 9, 2032	290.48	16,875	16,875	-
February 5, 2021	**3,55,000**					
Tranche 1	88,750	February 5, 2030	290.48	86,375	88,750	-
Tranche 2	88,750	February 5, 2031	290.48	86,375	88,750	-
Tranche 3	88,750	February 5, 2032	290.48	86,375	88,750	-
Tranche 4	88,750	February 5, 2033	290.48	86,375	88,750	-
February 14, 2022	**5,18,500**					
Tranche 1	1,29,625	February 14, 2031	327.50	1,29,625		
Tranche 2	1,29,625	February 14, 2032	327.50	1,29,625		
Tranche 3	1,29,625	February 14, 2033	327.50	1,29,625		
Tranche 4	1,29,625	February 14, 2034	327.50	1,29,625		
Outstanding options at the end of the year				**23,49,107**	**20,70,558**	**16,20,998**
Weighted average remaining contractual life of options outstanding at the end of the year				8.39 years	7.63 years	9.05 years

(Rs in millions unless otherwise stated)

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of employee share options has been measured using Black-Scholes model. The weighted average fair value of each option granted during the financial year 2021-22 , was 116.48 - 136.21(2020-21 was 83.61 - 95.12 and 2019-20 was 50.89 - 135.94)

The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plans are as follows:

Grant date	Expiry date	Historical volatility	Exercise price	Share price	Risk free rate	Fair value of option
March 31, 2016						
Tranche 1	March 31, 2025	45.00%	27.08	51.90	7.18%	30.69
Tranche 2	March 31, 2026	45.00%	27.08	51.90	7.32%	32.84
Tranche 3	March 31, 2027	45.00%	27.08	51.90	7.43%	34.74
Tranche 4	March 30, 2028	45.00%	27.08	51.90	7.51%	36.42
March 31, 2017						
Tranche 1	March 31, 2026	45.00%	37.99	80.40	6.45%	51.16
Tranche 2	March 31, 2027	45.00%	37.99	80.40	6.62%	53.92
Tranche 3	March 30, 2028	45.00%	37.99	80.40	6.77%	56.41
Tranche 4	March 30, 2029	45.00%	37.99	80.40	6.88%	58.65
March 31, 2018						
Tranche 1	March 31, 2027	45.00%	64.08	82.30	6.94%	38.69
Tranche 2	March 30, 2028	45.00%	64.08	82.30	7.13%	43.26
Tranche 3	March 30, 2029	45.00%	64.08	82.30	7.28%	47.22
Tranche 4	March 30, 2030	45.00%	64.08	82.30	7.40%	50.68
March 31, 2019						
Tranche 1	March 31, 2028	46.30%	110.00	111.10	7.01%	56.07
Tranche 2	March 31, 2029	46.30%	110.00	111.10	7.12%	61.43
Tranche 3	March 31, 2030	46.30%	110.00	111.10	7.22%	66.18
Tranche 4	March 31, 2031	46.30%	110.00	111.10	7.30%	70.42
September 30, 2019						
Tranche 1	September 30, 2028	45.00%	154.04	111.10	6.31%	42.37
Tranche 2	September 30, 2029	45.00%	154.04	111.10	6.46%	48.42
Tranche 3	September 30, 2030	45.00%	154.04	111.10	6.59%	53.90
Tranche 4	September 30, 2031	45.00%	154.04	111.10	6.70%	58.86
November 8, 2019						
Tranche 1	November 8, 2028	45.00%	154.04	213.60	6.25%	124.09
Tranche 2	November 8, 2029	45.00%	154.04	213.60	6.43%	132.58
Tranche 3	November 8, 2030	45.00%	154.04	213.60	6.59%	140.16
Tranche 4	November 8, 2031	45.00%	154.04	213.60	6.71%	146.93
February 18, 2020						
Tranche 1	February 18, 2029	45.00%	290.48	213.60	6.08%	82.04
Tranche 2	February 18, 2030	45.00%	290.48	213.60	6.23%	93.50
Tranche 3	February 18, 2031	45.00%	290.48	213.60	6.35%	103.81
Tranche 4	February 18, 2032	45.00%	290.48	213.60	6.44%	113.13
August 19, 2020						
Tranche 1	August 19, 2029	49.60%	290.48	185.20	5.52%	68.68
Tranche 2	August 19, 2030	49.60%	290.48	185.20	5.77%	79.33
Tranche 3	August 19, 2031	49.60%	290.48	185.20	5.97%	88.91
Tranche 4	August 19, 2032	49.60%	290.48	185.20	6.12%	97.52
November 9, 2020						
Tranche 1	November 9, 2029	52.70%	290.48	193.80	5.31%	78.61
Tranche 2	November 9, 2030	52.70%	290.48	193.80	5.58%	89.76
Tranche 3	November 9, 2031	52.70%	290.48	193.80	5.81%	99.74
Tranche 4	November 9, 2032	52.70%	290.48	193.80	5.99%	108.67
February 5, 2021						
Tranche 1	February 5, 2030	52.70%	290.48	193.80	5.63%	79.47
Tranche 2	February 5, 2031	52.70%	290.48	193.80	5.89%	90.68
Tranche 3	February 5, 2032	52.70%	290.48	193.80	6.10%	100.69
Tranche 4	February 5, 2033	52.70%	290.48	193.80	6.27%	109.64
February 14, 2022						
Tranche 1	February 14, 2031	54.50%	327.50	250.10	5.98%	116.48
Tranche 2	February 14, 2032	54.50%	327.50	250.10	6.29%	130.74
Tranche 3	February 14, 2033	54.50%	327.50	250.10	6.54%	143.29
Tranche 4	February 14, 2034	54.50%	327.50	250.10	6.72%	154.35

Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time. Expected volatility are concluded equal to historical volatility.

44 Related party disclosure

i. Names of the related party and nature of relationship:-

Description of relationship	Designation	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Key Management Personnel*	Managing Director and Chief Executive Officer	Devesh Sachdev	Devesh Sachdev	Devesh Sachdev
	Chief Financial Officer	Gaurav Maheshwari	Gaurav Maheshwari	Gaurav Maheshwari
	Company Secretary and Compliance Officer##	Deepak Madaan	Deepak Madaan	Deepak Madaan
	Independent Director#	-	Pradip Kumar Saha**	Pradip Kumar Saha
		Ms. Namrata Kaul	Ms. Namrata Kaul***	-
		Mr. Pankaj Vaish*	-	-
		Ms. Ratna Dharashree Vishwanathan	Ms. Ratna Dharashree Vishwanathan	Ms. Ratna Dharashree Vishwanathan
	Nominee Director	Mr. Narendra Ostawal	Mr. Narendra Ostawal	Mr. Narendra Ostawal
		Mr. Kenneth Dan Vander Weele	Mr. Kenneth Dan Vander Weele	Mr. Kenneth Dan Vander Weele
	Additional Director	-	-	Ms. Namrata Kaul
Entities exercising significant influence over the Company	Shareholder	Honey Rose Investment Ltd	Honey Rose Investment Ltd	Honey Rose Investment Ltd
		Creation Investments Fusion, LLC	Creation Investments Fusion, LLC	Creation Investments Fusion, LLC
		Creation Investments Fusion II, LLC	Creation Investments Fusion II, LLC	Creation Investments Fusion II, LLC
Entities with common directors		Vivriti Capital Private Limited	-	-
Post Employment benefits plan	Gratuity Trust	Fusion Micro Finance Private Limited Employees Group Gratuity Trust Fund	Fusion Micro Finance Private Limited Employees Group Gratuity Trust Fund	Fusion Micro Finance Private Limited Employees Group Gratuity Trust Fund

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

Nitin Gupta, Independent director, resigned on June 28, 2019
Albert Hofsink, Independent director, resigned on December 20, 2019
Shobinder Duggal was appointed on May 26, 2021 and resigned on September 22, 2021
* Mr. Pankaj Vaish was appointed as an Additional Director on September 22, 2021 and was regularised as an Independent Director w.e.f December 18, 2021
** Pradip Kumar Saha has resigned w.e.f. February 05, 2021
*** Namrata Kaul was additional director till July 27 , 2020 and is Regularised as Independent Director w.e.f July 28, 2020.
Appointed as Compliance Officer w.e.f July 25, 2021

(Rs in millions unless otherwise stated)

ii. Summary of related party transactions during the year

Name of the related party	Nature of transaction	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Devesh Sachdev	Managerial remuneration	37.50	25.91	13.45
	Allotment of equity shares	641.51	-	0.84
Mr. Gaurav Maheshwari	Remuneration	8.39	6.51	4.18
Mr. Deepak Madaan	Remuneration	4.50	3.42	1.97
Creation Investments Fusion, LLC, Chicago, U.S.A.	Reimbursement of Travelling Expenses		0.10	0.15
Creation Investments Fusion II, LLC, Chicago, U.S.A.	Allotment of equity shares (including share premium)	-	-	1,400.00
Honey Rose Investment Ltd ("Warburg Pincus")	Allotment of equity shares (including share premium)	- -	-	3,600.00
Nitin Gupta	Sitting fees	-	-	0.10
	Reimbursement of Travelling Expenses	-	-	-
Pradip Kumar Saha	Sitting fees	-	0.48	0.52
	Reimbursement of Travelling Expenses	-	-	0.05
Ms. Ratna Vishwanathan	Sitting fees	1.26	0.60	0.37
Ms. Namrata Kaul	Sitting fees	1.45	0.47	0.07
Mr. Shobinder Duggal	Sitting fees	0.43	-	-
Mr. Pankaj Vaish	Sitting fees	0.75	-	-
Mr. Pankaj Vaish	Reimbursement of travelling expenses	0.03		
Fusion Micro Finance Private Limited Employees Group Gratuity	Investment	21.35	1.81	19.00
Vivriti Capital Private Limited	Proceeds from Subordinated debt	250.00	-	-
Vivriti Capital Private Limited	Loan processing fees	3.75	-	-

iii. The amount receivable/(payable) from/ (to) related parties:

Name of the related party	Nature of transaction	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Vivriti Capital Private Limited	Subordinated debt	250.00	-	-

Terms and conditions

All transactions with these related parties are priced on an arm's length basis and at normal commercial terms.

As the provision for gratuity, leave compensation and share based compensation is made for the Company as a whole, the amount pertaining to the Key Management Personnel is not specifically identified and hence is not included above. The above remuneration details are in the nature of short term benefits .

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(Rs in millions unless otherwise stated)

45 Financial instruments - fair value and risk management

A. Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Particulars	As at March 31, 2022 Carrying value	Fair value
At amortised cost		
Financial assets:		
Cash and cash equivalents	10,113.72	10,113.72
Bank balance other than cash and cash equivalents	1,422.26	1,422.26
Trade receivables	43.42	43.42
Loans	59,181.94	60,225.94
Investments	-	-
Other financial assets	668.65	668.65
	71,429.99	**72,473.99**
Financial liabilities:		
Trade payables	176.59	176.59
Debt securities	7,837.76	8,076.25
Borrowings (other than debt securities)	48,294.66	48,416.68
Subordinated liabilities	1,625.67	1,785.96
Other financial liabilities	1,334.32	1,334.32
	59,269.00	**59,789.80**
At fair value through profit or loss		
Derivative financial instrument	77.11	77.11
	77.11	**77.11**
	59,346.11	**59,866.91**

Particulars	As at March 31, 2021 Carrying value	Fair value
At amortised cost		
Financial assets:		
Cash and cash equivalents	12,154.20	12,154.20
Bank balances other than cash and cash equivalents	1,198.36	1,198.36
Trade receivables	27.93	27.93
Loans	43,607.30	45,195.17
Other financial assets	300.76	300.76
	57,288.55	**58,876.42**
Financial liabilities:		
Trade payables	113.06	113.06
Debt securities	9,904.50	10,328.61
Borrowings (other than debt securities)	33,250.79	33,401.40
Subordinated liabilities	1,167.21	1,270.76
Other financial liabilities	1,265.98	1,265.98
	45,701.54	**46,379.81**

Particulars	As at March 31, 2020 Carrying value	Fair value
At amortised cost		
Financial assets:		
Cash and cash equivalents	5,396.67	5,396.67
Bank balances other than cash and cash equivalents	2,780.82	2,780.82
Trade receivables	31.39	31.39
Loans	33,429.73	33,545.28
Investments	5.00	5.00
Other financial assets	238.46	238.46
	41,882.07	**41,997.62**
Financial liabilities:		
Trade payables	40.71	40.71
Debt securities	3,998.98	4,173.02
Borrowings (other than debt securities)	24,571.58	24,777.75
Subordinated liabilities	1,166.29	1,285.47
Other financial liabilities	513.28	513.28
	30,290.84	**30,790.23**

B. Fair value hierarchy of assets and liabilities

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2022	Carrying value	Level 1	Level 2	Level 3	Total
Financial liabilities:					
Derivative financial instrument	77.11	-	77.11	-	77.11
	77.11	**-**	**77.11**	**-**	**77.11**

There are no financial assets and financial liabilities measured at fair value as on March 31, 2021 and March 31, 2020

B.2 Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2022	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets:					
Investments	-	-	-	-	-
Loans	59,181.94	-	60,225.94	-	60,225.94
	59,181.94	**-**	**60,225.94**	**-**	**60,225.94**
Financial liabilities:					
Debt securities	7,837.76	-	8,076.25	-	8,076.25
Borrowings (other than debt securities)	48,294.66	-	48,416.68	-	48,416.68
Subordinated liabilities	1,625.67	-	1,785.96	-	1,785.96
	57,758.09	**-**	**58,278.89**	**-**	**58,278.89**

(Rs in millions unless otherwise stated)

As at March 31, 2021	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets:					
Loans	43,607.30	-	45,195.17	-	45,195.17
	43,607.30	**-**	**45,195.17**	**-**	**45,195.17**
Financial liabilities:					
Debt securities	9,904.50	-	10,328.61	-	10,328.61
Borrowings (other than debt securities)	33,250.79	-	33,401.40	-	33,401.40
Subordinated liabilities	1,167.21	-	1,270.76	-	1,270.76
	44,322.50	**-**	**45,000.77**	**-**	**45,000.77**

As at March 31, 2020	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets:					
Investments (at amortised cost)	5.00	5.00	-	-	5.00
Loans	33,429.73	-	33,545.28	-	33,545.28
	33,434.73	**5.00**	**33,545.28**	**-**	**33,550.28**
Financial liabilities:					
Debt securities	3,998.98	-	4,173.02	-	4,173.02
Borrowings (other than debt securities)	24,571.58	-	24,777.75	-	24,777.75
Subordinated liabilities	1,166.29	-	1,285.47	-	1,285.47
	29,736.85	**-**	**30,236.24**	**-**	**30,236.24**

The management assessed that carrying value of financial assets (except loan and investments) and financial liabilities (except debt securities, borrowings (other than debt securities) and subordinated liabilities) approximate their fair value largely due to short term maturities of these instruments.

C. Valuation framework

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

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

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

Valuation techniques include net present value and discounted cash flow models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. The Company uses historical experience and other information used in its collective impairment models. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.

The fair values of the Company's fixed rate interest-bearing debt securities, borrowings and subordinated liabilities are determined by applying discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. For variable rate interest-bearing debt securities, borrowings and subordinated liabilities, carrying value represent best estimate of their fair value as these are subject to changes in underlying interest rate indices as and when the changes happen.

The Company has entered into derivative financial instruments with counterparty being a financial institution with investment grade credit ratings. Currency and Interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves. As at March 31, 2022, the mark-to-market value of derivative liability position is net of a credit valuation adjustment attributable to derivative counterparty default risk. While as at March 31, 2021 and March 31, 2020 , there was no mark- to -market value of derivative liability.

There have been no transfer between Level 1, 2 and 3 during the year ended March 31, 2022, March 31, 2021 and March 31, 2020.

46 Transfers of financial assets

A. Securitization Transactions:

During the period, the Company has entered into securitization arrangement with various parties. Wherein, the Company has transferred a pool of loan portfolio. The Company, being originator of these loan receivables, also acts as servicer with a responsibility of collection of receivables from its borrowers. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms such Fixed deposits and book debts .as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided. In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind AS 109.Thus the company has continued to recognise the transferred asset in its entirety and had recognised a financial liability for the consideration received .

The value of financial assets and liabilities as on:

	Carrying amount	
	Assets - Loans	**Liabilities - Borrowings**
Securitisation		
As at March 31, 2022	-	-
As at March 31, 2021	-	-
As at March 31, 2020	281.32	400.26

The fair value of securitisation assets ("Assets -Loans") and liabilities ("liabilities - Borrowings") approximates their respective carrying amount for all years as disclosed above.

B. Assignment transactions:

During the year ended March 31, 2022, March 31, 2021 and March 31, 2020, the Company has sold some loans and advances as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transaction of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognized.

The management has evaluated that the impact of the assignment transactions done during the year for its business model. Based on the future business plan, the Company's business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognized financial assets and the gain/(loss) on derecognition, per type of asset:

	Carrying amount of derecognized financial assets	Gain/(loss) from derecognition
Assignment		
For the year ended March 31, 2022	6,934.54	607.95
For the year ended March 31, 2021	1,180.20	107.84
For the year ended March 31, 2020	3,522.17	271.55

Since the Company transferred the above financial asset in a transfer that qualified for derecognition in its entirely, therefore the whole of the interest spread (over the expected life of the asset) is recognized on the date of derecognition itself as interest strip receivable and correspondingly recognised as profit on derecognition of financial asset.

(Rs in millions unless otherwise stated)

47 Financial risk management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the board of directors.

The Company has identified and implemented comprehensive policies and procedure to assess, monitor and manage risk through-out Company. The risk management process is continuously reviewed, improved and adopted in the context of changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes stock of the risk landscape on an event driven basis.

The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Risk management framework

The Company’s board of directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company’s risk management policies. The committee reports regularly to the board of directors on its activities.

Efficient and timely management of risks involved in the Company's activities is critical for the financial soundness and profitability of the Company. Risk management involves the identifying, measuring, monitoring and managing of risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the Company employs leading risk management practices and recruits skilled and experienced people.

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

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

A. Credit risk

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company’s policy that no trading in derivatives for speculative purposes may be undertaken. Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet. As per risk management policy of the company, it only deals with counterparties, which has good credit rating/ worthiness given by external rating agencies or based on company's internal assessment. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Credit risk is the risk of loss that may occur from defaults by our borrowers under our loan agreements. In order to address credit risk, we have stringent credit assessment policies for client selection. Measures such as verifying client details and usage of credit bureau data to get information on past credit behaviour also supplement the efforts for containing credit risk. We also follow a systematic methodology in the opening of new branches, which takes into account factors such as the demand for credit in the area; income and market potential; and socio-economic and law and order risks in the proposed area. Further, our client due diligence procedures encompass various layers of checks, designed to assess the quality of the proposed group and to confirm that they meet our criteria.

The Company is a rural focused NBFC-MFI with a geographically diversified presence in India and offer income generation loans under the joint liability group model, predominantly to women from low-income households in Rural Areas. Further, as we focus on providing micro-loans in rural areas, our results of operations are affected by the performance and the future growth potential of microfinance in rural India. Our clients typically have limited sources of income, savings and credit histories and our loans are typically provided free of collateral. Such clients generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities. In addition, we rely on non-traditional guarantee mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of our loans.

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:
• significant financial difficulty of the borrower or issuer;
• a breach of contract such as a default or past due event;

The Company believes that the Micro finance loans (MFI) have shared risk characteristics (i.e. homogeneous) across various states in India. Similarly, the MSME loans are considered to have shared risk characteristics. Accordingly, the Company believes that these product categories are the best measure of credit risk concentration. Refer note 6 for the product wise loan balances.

As a business practice, the Company routinely provides top-up loans or consolidate the existing dues of the customers into a new loan. In determining whether there has been a significant increase in credit risk or impairment of these loans and potential full loss estimate, the Company takes into account their vintage, past repayment behaviour, and viability of their businesses. Based on such assessment, as at March 31, 2021, and in accordance with Ind AS 109 principles, including those relating to modified loans, the Company has classified loans amounting to Rs. 2,133 million as Stage 2 and Rs. 1,153 million as Stage 3 and recorded impairment allowance of Rs.1,153 million, although there were nil overdues as per the latest repayment schedule for these loans. As at March 31, 2022, the Company has classified such loans as per their respective DPD's.

(a) Probability of default (PD)
PD describes the probability of a loan to eventually falling into stage 3. PD percentage is calculated for entire loan portfolio and is determined by using available historical observations.

PD for stage 1: is derived as percentage of all loans in stage 1 moving into stage 3 in 12-months' time.
PD for stage 2: is derived as percentage of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.
PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 90 days which matches the definition of stage 3.

Macroeconomic information (such as regulatory changes, market interest rate or inflation) is incorporated as part of the internal assessment. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

(b) Exposure at default (EAD)
EAD is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

(c) Loss given default (LGD)
The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan is considered credit impaired. Recovery rate is the total of discounted value of all the recoveries on the credit impaired loan account divided by the outstanding of the loan account after its first default. LGD = 1 - (Recovery rate).

(d) Significant increase in credit risk
The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or life time ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

(Rs in millions unless otherwise stated)

e) Expected credit loss on Loans

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the internal assessment of the historical data. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors such as interest rates, gross domestic product, inflation and expected direction of the economic cycle. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

The Company has applied a three-stage approach to measure expected credit losses (ECL) on loans. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

i) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

ii) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

iii) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the Company's internal assessment and forward-looking information to assess deterioration in credit quality of a financial asset.

Expected credit loss on other financial assets

The Company assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account accounting instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower, collateral type, and other relevant factors.

The Company monitors changes in credit risk by tracking published external credit ratings. In order to determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Company supplements this by reviewing changes in government bond yields together with available press and regulatory information about issuers.

48 Liquidity risk

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

The maturity schedule for all financial liabilities and assets are regularly reviewed and monitored. Company has a assets liability management (ALM) policy and ALM Committee to review and monitor liquidity risk and ensure the compliance with the prescribed regulatory requirement. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. The ALM Policy prescribes the detailed guidelines for managing the liquidity risk.

The following are the contractual maturities of financial labilities at the reporting date. The amount are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	Contractual cash flows								
As at March 31, 2022	**Up to 1 month**	**1 to 2 months**	**2 to 3 months**	**3 to 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 to 5 years**	**Over 5 years**	**Total**
Financial liabilities									
Borrowings (other than debt securities)	3,291.78	2,551.42	3,152.18	10,223.29	13,953.08	18,901.56	736.27	-	52,809.58
Debt securities	22.00	2,124.91	146.05	1,176.72	627.89	4,874.21	-	-	8,971.78
Subordinated liabilities	12.82	12.79	30.18	56.52	610.93	790.67	137.66	576.27	2,227.84
Derivative financial instrument	27.11	0.25	0.24	0.72	1.39	47.41	-	-	77.12
Other financial liabilities	1,058.09	148.24	16.48	29.68	-	-	-	-	1,252.49
Trade payables	124.06	52.53	-	-	-	-	-	-	176.59
Total undiscounted financial liabilities	**4,535.86**	**4,890.14**	**3,345.13**	**11,486.93**	**15,193.29**	**24,613.85**	**873.93**	**576.27**	**65,515.40**

	Contractual cash flows								
As at March 31, 2021	**Up to 1 month**	**1 to 2 months**	**2 to 3 months**	**3 to 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 to 5 years**	**Over 5 years**	**Total**
Financial liabilities									
Borrowings (other than debt securities)	2,459.34	1,546.51	2,213.75	6,973.36	10,970.44	11,719.77	525.09	-	36,408.25
Debt securities	23.54	166.21	97.65	1,579.06	1,640.46	5,359.69	2,476.87	1,614.31	12,957.78
Subordinated liabilities	77.17	7.17	24.41	38.94	76.81	1,310.97	-	-	1,535.48
Other financial liabilities	-	-	-	-	-	-	-	-	-
Trade payables	882.14	105.84	16.78	178.40	1.59	11.54	17.91	51.78	1,265.98
	66.30	46.75	-	-	-	-	-	-	113.05
	3,508.49	**1,872.48**	**2,352.59**	**8,769.76**	**12,689.30**	**18,401.97**	**3,019.87**	**1,666.09**	**52,280.54**

	Contractual cash flows								
As at March 31, 2020	**Up to 1 month**	**1 to 2 months**	**2 to 3 months**	**3 to 6 months**	**6 months to 1 year**	**1 to 3 years**	**3 to 5 years**	**Over 5 years**	**Total**
Financial liabilities									
Borrowings (other than debt securities)	1,516.85	1,314.27	1,926.97	5,416.05	8,282.14	8,216.75	291.42	21.15	26,985.60
Debt securities	12.87	56.67	6.60	514.56	509.24	2,407.87	920.05	954.04	5,381.90
Subordinated liabilities	7.97	7.82	25.50	41.59	152.10	808.70	656.78	-	1,700.46
Other financial liabilities	322.79	39.43	7.82	61.68	81.56	-	-	-	513.28
Trade payables	7.59	18.90	12.83	1.39	-	-	-	-	40.71
	1,868.07	**1,437.09**	**1,979.72**	**6,035.27**	**9,025.04**	**11,433.32**	**1,868.25**	**975.19**	**34,621.95**

(Rs in millions unless otherwise stated)

49 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, credit, liquidity etc. The Company is exposed to three type's of market risks as follows:

(i) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods.

We assess and manage our interest rate risk by managing our assets and liabilities. Our Assets Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately. The Company has board approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loan given.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. For this, during year ended March 31,2022 the Company entered into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before tax is affected through the impact on floating rate borrowings, as follows:

Finance Cost	March 31, 2022	March 31, 2021	March 31, 2020
0.50 % Increase	105.54	68.87	48.90
0.50 % Decrease	(105.54)	(68.87)	(48.90)

(ii) Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

(iii) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the functional currency of the Company. To mitigate the Company's exposure to foreign currency risk, non-rupee cash flows are monitored and derivative contracts are entered into in accordance with the Company's risk management policies. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises majorly on account of foreign currency borrowings. The Company manages its foreign currency risk by entering into cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure.

For hedges of forecasted transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Company hedges its exposure to fluctuations on the translation into INR of its foreign currency transactions by using foreign currency swaps and forwards. At March 31, 2022, the Company hedged 100% (March 31, 2021: Nil and March 31, 2020: Nil), for entire term of borrowing, of its expected interest and principle repayments on External commercial borrowings. This foreign currency risk is hedged by using foreign currency forward contracts.

Details of hedged foreign currency transactions

			Foreign currency in millions
Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
	Euro	**Euro**	**Euro**
Borrowings			
External commercial borrowings	10.00	-	-
Less: Currency and interest rate swaps	10.00	-	-
Unhedged External commercial borrowings	-	-	-

50 Capital Management Risk

The Company's objective for capital management is to maximize shareholder's value, safeguard business continuity, meet the regulatory requirement and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through borrowings, retained earnings and operating cash flow generated.

As an NBFC-MFI, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time (refer note 56). The Capital management process of the Company ensures to maintain to healthy CRAR at all the time.

The Company has a board approved policy on resource planning which states that the resource planning of the Company shall be based on the Asset Liability Management (ALM) requirement. The policy of the Company on resource planning will also cover the objectives of the regulatory requirement. The policy prescribes the sources of funds, threshold for mix from various sources, tenure manner of raising the funds etc.

For the purpose of the Company's capital management, capital includes equity share capital and other equity. Debt includes terms loans from banks, NBFC and debentures net of cash and cash equivalents and bank balances other than cash and cash equivalents. The Company monitors capital on the basis of the following gearing ratio.

Gearing Ratio:

Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Net debt*	46,478.96	31,343.33	21,784.05
Total equity	13,379.51	12,463.55	11,988.89
Net debt to equity ratio	**3.47**	**2.51**	**1.82**

* Net Debt includes debt securities + borrowings other than debt securities + Subordinated liabilities + interest accrued - cash and cash equivalents - bank balances other than cash and cash equivalents.

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(Rs in millions unless otherwise stated)

51 Contingent Liabilities, commitments and contingent assets

A Contingent liabilities

The Company has entered into business correspondence arrangements with the bank. As per the terms of the said agreement, the Company has given performance security towards the loans disbursed by the bank under the agreement. The total outstanding of such loans was NIL as at March 31, 2022, NIL as at March 31, 2021 and Rs. 81.21 millions as at March 31,2020. The performance security provided is in the nature of fixed deposits and corporate guarantee. Apart from this there are no Contingent liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020.

B. Commitments

There are no commitments as at March 31, 2022, March 31, 2021 and March 31, 2020.

C. Contingent assets

There are no contingent assets as at March 31, 2022, March 31, 2021 and March 31, 2020.

D. The company has reviewed all litigations having an impact on the financial position, where applicable, has adequately provided for where provision are required . As on March 31, 2022, March 31 2021 and March 31, 2020 the Company does not have any material litigation pending with Income Tax authorities, Goods and Services Tax authorities and other statutory authorities in the ordinary course of business requiring any provision to be provided in books of accounts.

52 Revenue from contracts with customers

		For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	**Type of services**			
	Facilitation fees (refer note 28)	13.86	5.08	7.18
	Income from business correspondence services (refer note 28)	-	2.11	27.46
	Market support Income (refer note 31)	426.87	145.39	74.10
	Total	**440.73**	**152.58**	**108.74**
(b)	**Geographical markets**			
	India	440.73	152.58	108.74
	Outside India	-	-	-
	Total	**440.73**	**152.58**	**108.74**
(c)	**Timing of revenue recognition**			
	Service transferred at a point in time	440.73	152.58	108.74
	Services transferred over time	-	-	-
	Total	**440.73**	**152.58**	**108.74**

		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
(d)	**Receivables**				
	Facilitation fees	6.42	3.56	1.01	0.91
	Income from business correspondence services	-	-	0.67	4.62
	Market support services	34.92	23.84	29.18	-
	Total	**41.34**	**27.40**	**30.86**	**5.53**

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(Rs in millions unless otherwise stated)

53 Leases

Company as a lessee

During the financial year 2020-21, the Company had entered into new head office lease arrangements in Gurugram. The head office lease has obtained on a non-cancellable lease term of 3 years which is extendable up to 9 years with an escalation clause at a 3 years interval. The company's obligations under its leases are secured by the lessor's title to the leased assets. The company is restricted from assigning and subleasing the leased assets.
The Company has branch offices on lease for which 'short term lease' recognition exemption is applied. Accordingly, lease rentals of Rs. 139.65 millions for year ended March 31, 2022 (Rs. 110.79 millions for the year ended March 31, 2021 and Rs. 97.89 millions for the year ended March 31, 2020) on such short term leases has been directly debited to Restated Ind AS statement of profit and loss.

Set out below are the carrying amounts of Right of use asset recognized and the movements during the year (Refer note 12):

Particulars

Particulars	Right of use asset
As at April 1, 2019	-
Addition	-
Depreciation	-
As at March 31, 2020	**-**
As at April 1, 2020	-
Addition	83.45
Depreciation	5.26
As at March 31, 2021	**78.19**
As at April 1, 2021	78.19
Addition	-
Depreciation	9.02
As at March 31, 2022	**69.17**

Set out below are the carrying amounts of lease liabilities and the movements during the year (Refer note 20)

Particulars	Lease liabilities
As at April 1, 2019	-
Addition	-
Accretion of interest	-
Payments	-
As at March 31, 2020	**-**
As at April 1, 2020	-
Addition	83.45
Accretion of interest	5.30
Payments	(4.12)
As at March 31, 2021	**84.63**
As at April 1, 2021	**84.63**
Addition	-
Accretion of interest	8.88
Payments	(11.69)
Particulars	**81.82**

The following are the amounts recognized in statement of profit or loss:

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Depreciation on Right of use asset	9.02	5.26	-
Interest expense on lease liability	8.88	5.30	-
Total amount recognized in profit or loss	**17.90**	**10.56**	**-**

Total cash outflow for leases for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 were Rs. 159.02 millions ,Rs. 114.24 millions and Rs. 97.30 millions respectively.

The effective interest rate for lease liabilities is 10.72% with maturity between September 2020- November 2029.

54 For the year ended March 31, 2020

The "severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)", generally known as COVID-19, which was declared as a pandemic by the WHO on March 11, 2020, continues to spread across the globe including India, resulting into a significant decline and volatility in financial markets and a significant decrease in global and India's local economic activities. On March 24, 2020, the Indian Government announced a 21 days lockdown which was further extended from time to time across the nation as a strict measure to contain the spread of the virus. Due to the continuous lockdowns the Company's operations were suspended. To deal with this disruption and in accordance with RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 22, 2020, the Company has given an option for availing moratorium to all the eligible borrower's as per the Moratorium policy of the Company.
An inherent part of the Company's business model is to raise funds for onward lending to its customers. The total borrowing of the Company as at 31 March 2020 are Rs 29,736.85 Mn. The Company has received moratorium in respect of its borrowing amounting to Rs 11,445.94 Mn in accordance with RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 22, 2020. The management has performed a detailed assessment of its monthly cash inflows and outflows for next 12 months and concluded that it will be able to meet its obligations even though its monthly collections remain below average due to continuation of lockdown. In its assessment, the Company has considered debt amounting to Rs. 3,750.00 Mn received post March 31, 2020 and also considered undrawn bank lines amounting to Rs. 445.00 Mn.
The Company has recorded an expected credit loss provision of Rs. 982.36 Mn as at 31 March 2020 in respect of its loans and advance. In accordance with the guidance from ICAI, extension of the moratorium to borrowers by the Company pursuant to the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 22, 2020 by itself is not considered to result in a significant increase in credit risk of a borrower, however the entity needs to evaluate whether the borrowers to which moratorium is granted will remain regular, once the moratorium period gets over. The Company has recorded a macroeconomic (management) overlay of Rs. 510.41 Mn as part of its ECL (being 1.5 % of stage 1 and stage 2 portfolio) , to reflect among other things an increased risk of deterioration in macro-economic factors caused by Novel Coronavirus (COVID-19) pandemic.
Given the unique nature and scale of the economic impact of this pandemic, its timing being close to the year-end, and no reliable data being available regarding the impact of various regulatory packages, the company's operations and financial metrics (including impairment provision on loans) will depend on further developments concerning the resumption of economic activity which are uncertain and incapable of estimation at this time.

(Rs in millions unless otherwise stated)

For the year ended March 31, 2021

Consequent to the outbreak of CoVID-19 pandemic, the Indian Government announced a lock-down in March 2020. Subsequently, the national lock-down was lifted by the government but regional lock-downs continue to be implemented in areas with a significant number of CoVID-19 cases. The impact of CoVID-19, including changes in consumer's behaviour and pandemic fears, as well as restrictions on business and individual activities has led significant volatility in Indian financial markets and a significant decrease in local economic activities. The Company's performance will depend on further developments, which are uncertain, including, among other things, new information concerning the severity of the CoVID-19 pandemic including the current "second wave" that has significantly increased the number of cases in India and any action to contain its spread or mitigate its impact
Further, in accordance with Reserve Bank of India guidelines relating to "CoVID-19 Regulatory package" announced on March 27, 2020, April 17, 2020 and May 23, 2020, the Company has offered moratorium on the payment of all instalments and/or interest, as applicable, falling due between March 1, 2020 to August 31, 2020 to all eligible borrowers. For all such accounts opting for moratorium, the prudential assets a classification remained standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purpose of asset classification under Income Recognition, Asset classification and Provisioning Norms).
The Company has recorded an expected credit loss provision of Rs. 2,853.02 Mn in respect of its loans and advances of as at March 31, 2021 based on the information available at this point in time to reflect among other things an increased risk of deterioration in macro-economic factors caused by recent "second wave" of CoVID-19 pandemic. Since the situation continue to evolve, its effect on the operations of the Company may be different form that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor changes in markets and future economic conditions.

For the year ended March 31, 2022

The uncertain economic environment as result impact of COVID-19 continues to prevail as infection rates continue change on a regular basis. On account of resurgence of Covid-19 pandemic in India during year ended March 31, 2022, the Reserve Bank of India introduced Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses vide circular DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 with the objective of alleviating the potential stress to individual borrowers and small businesses.
In accordance with the circular, the Company has identified the eligible borrowers and those who agreed with the resolution plan were extended the support under the framework for relief from stress of Covid-19.
For the year ended March 31, 2022, the Company has incorporated estimates, assumptions, and judgements specific to the impact of CoVID-19 pandemic in its assessment of business model, going concern, measurement of impairment loss allowance including relating to the restructuring discussed above. These estimates, including the impairment loss allowance on loan portfolio which stood at Rs. 3603.50 Mn as at March 31, 2022 is subject to uncertainty on account of factors explained above and the actual results may differ.

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(Rs in millions unless otherwise stated)

55 Reconciliation of equity as at April 1, 2019

The financial statements for the year ended March 31, 2020, were the first financial statements, the Company had prepared in accordance with Ind AS. The audited financial statements of the Company as at March 31, 2019 were prepared in accordance with the Companies (Accounting Standards) Rules 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 ("Previous GAAP"). The same has been converted into Ind AS to confirm with the accounting policies generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, while preparing first Ind AS financials of the Company for the year ended March 31, 2020. These converted Ind AS financial statements as at March 31, 2019 is used as opening balance as at April 01, 2019 for the purpose of Restated Ind AS Summary Statements. Reconciliation between Previous GAAP equity as at March 31, 2019 and Restated equity as per Restated Ind AS Summary Statements as at April 01, 2019 is as follows:

(i) Reconciliation of equity

Particulars	Notes	As at April 1, 2019		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Assets				
Financial assets				
Cash and cash equivalents		7,234.73	4.98	7,239.71
Bank balances other than cash and cash equivalents	9	2,665.21	0.00	2,665.21
Trade receivables		6.09	(0.00)	6.09
Loans	1,4,5&8	22,973.69	2,746.67	25,720.36
Investments	6	5.00	-	5.00
Other financial assets	1	275.12	(177.88)	97.24
Non-financial assets				
Current tax assets (net)		78.60	(0.00)	78.60
Deferred tax	7	228.74	(14.43)	214.31
Property, plant and equipment		53.52	(0.01)	53.51
Intangible assets		1.73	0.00	1.73
Other non-financial assets		124.31	(100.86)	23.45
Total assets		**33,646.74**	**2,458.47**	**36,105.21**
Equity and liabilities				
Financial liabilities				
Trade payables		41.91	(0.03)	41.88
Debt securities	3&8	5,007.00	(16.95)	4,990.05
Borrowings (other than debt securities)	3&8	20,682.28	2,448.07	23,130.35
Subordinated liabilities	3&8	1,170.00	(4.51)	1,165.49
Other financial liabilities		419.12	-	419.12
Non-Financial Liabilities				
Current tax liabilities (net)		0.38	-	0.38
Provisions	2	52.90	-	52.90
Other non-financial liabilities		46.51	-	46.50
Total liabilities		**27,420.10**	**2,426.57**	**29,846.67**
Equity				
Equity share capital		615.77	-	615.77
Other equity	9&10	5,610.87	31.90	5,642.77
Total equity		**6,226.64**	**31.90**	**6,258.54**
Total equity and liabilities		**33,646.74**	**2,458.47**	**36,105.21**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note. The transition to Ind AS has been carried out from accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (‘Indian GAAP’), which is considered as the previous GAAP, for purposes of Ind AS 101

Notes to above :

1 **Expected credit loss allowance**

Under previous GAAP, provision on loans was recognised based on RBI income recognition and asset classification norms. On transition to Ind AS, the Company has assessed impairment loss on loans, investments, trade receivables and other financial assets based on the expected credit loss model as required by Ind AS 109.

2 **Defined benefit liabilities**

Both under previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, was charged to profit or loss account. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other comprehensive income.

3 **Borrowings**

Under previous GAAP, transaction costs incurred on borrowings were amortised to profit or loss account on a straight line basis over the tenure of the borrowings. Under Ind AS 109 transaction costs incurred towards origination of financial liabilities (borrowings) are amortised to profit or loss as interest expense on a effective interest rate basis.

4 **Loans**

Under previous GAAP, fees charged on origination of a loan were recognised upfront in statement of profit or loss. Under Ind AS 109 requires transaction costs/fees incurred towards origination of loans are recognised in profit or loss account as interest income on a effective interest rate basis.

5 **Interest income on stage 3**

Under the previous GAAP, interest income on nonperforming assets (NPA) was recognised upon realisation as per RBI Guidelines. Under Ind AS, interest income from financial assets is recognised on an accrual basis using Effective Interest Rate (EIR) method on the gross carrying amount for assets falling under stages 1 and 2 and on the amortised cost for assets falling under stage 3. Accordingly, the Company has recognised income on stage 3 assets on the carrying value of the asset.

6 **Fair valuation of investments**

Under the previous GAAP, Current investments were carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each investments.

Under Ind AS, investment in in mutual funds is classified as at fair value through profit and loss (FVTPL) with changes in fair value recognised in profit and loss account.

7 **Deferred tax**

Under previous GAAP, deferred tax was prepared using income statement approach. Under Ind AS, Company has prepared deferred tax using balance sheet approach. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

8 **Securitisation**

The Company enters into arrangements for sale of loan receivables through securitisation. Under previous GAAP, securitisation transactions are accounted as under:

(i) Loan receivables is derecognised basis true sale criteria

(ii) Excess interest spread (EIS i.e. difference between the pool IRR and the yield agreed with the portfolio buyer) under par structure of securitization of loan receivables is recognised only when redeemed in cash, over the tenure of the securities issued by Special Purpose Vehicle (SPV). Loss, if any, is recognised upfront.

9 **Consolidation of ESOP trust**

Under previous GAAP, Employee welfare trusts were not required to be consolidated considering that these trusts were constituted as irrecoverable trust. Under Ind AS the employee welfare trusts have been consolidated. Consequently, the operations of the ESOP Trust, in so far as the ESOP is concerned and the assets and liabilities of the Trust have been included in the financial statements of the company. Balances arising from transactions between the company and the Trust have been appropriately eliminated.

10 **Retained earnings**

Retained earnings as at 1 April 2019 has been adjusted consequent to the above Ind AS transition adjustments.

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(Rs in millions unless otherwise stated)

56 Additional information required by Reserve Bank of India Master Direction DNBR. PD. 008/03.10.119/2016-17

a. Capital to risk assets ratio ('CRAR')

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
CRAR (%)	21.94%	27.26%	35.82%
CRAR- Tier I (%)	19.93%	25.52%	33.08%
CRAR- Tier II (%)	2.01%	1.74%	2.74%
Amount of subordinated debt raised as Tier-II capital	1,625.67	1,167.21	1,166.29
Amount raised by issue of Perpetual Debt Instruments	-	-	-

b. Exposures
i) The Company has no direct and indirect exposure to real estate sector.
ii) The Company has no exposure to capital market.

c. Assets liability management:

Maturity pattern of certain items of assets and liabilities as on March 31, 2022

Particulars	1-7 days	8-14 days	15-30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 year	3 to 5 year	Over 5 year	Total
Borrowings (Note 1)	159.23	994.02	1,639.17	3,685.30	3,435.82	10,379.30	13,309.61	21,004.20	2,624.04	527.39	57,758.08
Advances (Note 2)	895.56	896.66	1,921.19	3,211.44	3,222.85	9,613.07	17,282.14	23,034.38	87.30	66.86	60,231.45

Maturity pattern of certain items of assets and liabilities as on March 31, 2021

Particulars	1-7 days	8-14 days	15-30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	over 5 years	Total
Borrowings (Note 1)	538.60	623.92	1,112.29	1,305.16	2,175.92	7,207.37	11,299.23	17,185.89	1,424.24	1,449.88	44,322.50
Advances (Note 2)	605.46	651.45	1,563.87	2,379.49	2,515.70	7,350.38	13,010.84	16,821.08	11.90	14.91	44,925.08

Maturity pattern of certain items of assets and liabilities as on March 31, 2020

Particulars	1-7 days	8-14 days	15-30 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	over 5 years	Total
Borrowings (Note 1)	42.04	229.12	339.11	558.64	1,745.36	5,192.23	8,985.62	11,767.35	857.38	20.00	29,736.85
Advances (Note 2)	3.05	2.95	5.72	8.58	2,597.60	6,364.90	11,196.71	13,978.45	0.10	-	34,158.06
Investments	-	-	-	5.00	-	-	-	-	-	-	5.00

Note 1 - Borrowings exclude accrued interest
Note 2 - Net of provision towards non-performing loans and advances

d. Information on instances of fraud :

Instances of fraud reported during the year ended March 31, 2022

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount provided
Cash Embezzlement	435	12.67	5.96	6.71

Instances of fraud reported during the year ended March 31, 2021

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount provided
Cash Embezzlement	170	9.77	5.18	4.59

Instances of fraud reported during the year ended March 31, 2020

Nature of fraud	No. of cases	Amount of fraud	Recovery*	Amount provided
Cash Embezzlement	147	5.01	2.12	2.89

*includes recoveries in respect of frauds reported in earlier years

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

Particulars	Amount	Credit Rating Agency	Date of Rating	Valid up to	Current Rating	Previous Rating
Bank Loan Rating	15,000.00	Credit Analysis & Research Ltd.	21-Jan-22	See Note 1	CARE A-; Stable	CARE A-; Stable
Bank Loan Rating	19,700.00	CRISIL Limited	4-Feb-22	See Note 1	CRISIL A -/ (Stable)	CRISIL A -/ (Stable)
Cash Credit	-	Credit Analysis & Research Ltd.	3-Sep-21	See Note 1	-	CARE A-; Stable
Non - Convertible Debenture	300.00	Credit Analysis & Research Ltd.	3-Sep-21	See Note 1	-	-
Non - Convertible Debenture (MLD)	250.00	Credit Analysis & Research Ltd.	3-Sep-21	See Note 1		CARE PP-MLD A-; Stable
Non - Convertible Debenture	9125.00*	ICRA Limited	21-Sep-21	See Note 1	[ICRA]A-(Stable)	[ICRA]A-(Stable)
Non - Convertible Debenture	600.00	Credit Analysis & Research Ltd.	5-May-21	See Note 1	CARE A (CE); Stable	Provisional CARE A (CE); Stable
Subordinate Debt (NCD)	300.00	Credit Analysis & Research Ltd.	21-Jan-22	See Note 1	CARE A-; (Stable)	CARE A- (Stable)
Subordinate Debt (NCD)	500.00	ICRA Limited	21-Sep-21	See Note 1	[ICRA]A-(Stable)	[ICRA]A-(Stable)
Subordinate Debt (Term Loan)	300.00	CRISIL Limited	4-Feb-22	See Note 1	CRISIL A -; (Stable)	-
Organization Grading	N.A	CARE Advisory Research and Training Ltd.	16-Mar-22	6-Mar-23	MFI 1 (MFI One)	MFI 1 (MFI One)
Securitization	403.70	ICRA Limited	7-May-19	17-Jun-20	-	[ICRA] AA(SO)
Securitization	22.40	ICRA Limited	7-May-19	17-Aug-20	-	[ICRA] AA-(SO)
Securitization	343.00	ICRA Limited	7-May-19	17-Feb-20	-	[ICRA] AAA(SO)
Securitization	19.10	ICRA Limited	7-May-19	17-May-20	-	[ICRA] AA(SO)
Securitization	391.10	ICRA Limited	3-Jun-19	17-Jul-20	-	[ICRA] AA(SO)
Securitization	20.10	ICRA Limited	3-Jun-19	17-Aug-20	-	[ICRA] AA-(SO)
Securitization	519.30	ICRA Limited	5-Jun-19	17-Apr-20	-	[ICRA] AA+(SO)
Securitization	32.70	ICRA Limited	5-Jun-19	17-Jun-20	-	[ICRA] AA(SO)
Securitization	495.20	ICRA Limited	5-Jun-19	17-Feb-20	-	[ICRA] AAA(SO)
Securitization	27.80	ICRA Limited	5-Jun-19	17-Apr-20	-	[ICRA] AA(SO)
Securitization	533.90	ICRA Limited	11-Dec-19	17-Aug-20	-	[ICRA]A(SO)
Securitization	30.30	ICRA Limited	11-Dec-19	17-Sep-20	-	[ICRA]BBB+(SO)

Note 1: Rating is subject to annual surveillance till final repayment/redemption of rated facilities.
*Bank of Baroda NCD of INR 500.00 million has dual rating (1) ICRA A - Stable (2) CRISIL A - Stable

f. Disclosure of Complaints

Particulars	No. of Complaints		
	March 31, 2022	March 31, 2021	March 31, 2020
No. of complaints pending at the beginning of the year	14	44	14
No. of complaints received during the year	1214	777	721
No. of complaints redressed during the year	1207	807	691
No. of complaints pending at the end of the year	21	14	44

g. Concentration of Advances, Exposures and NPAs

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Concentration of Advances			
Total advances to twenty largest borrowers*	19.97	15.34	6.46
(%) of advances to twenty largest borrowers to total advances	0.03%	0.03%	0.02%
Concentration of Exposures			
Total exposure to twenty largest borrowers	19.97	15.34	6.46
(%) of exposures to twenty largest borrowers to total exposure	0.03%	0.03%	0.02%
Concentration of NPAs			
Total exposure to top four NPA accounts	1.85	0.72	0.32

* Does not include interest accrued

h. Sector wise NPAs

Particulars	% of NPA to total advances in that sector		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2019
Agriculture & allied	3.82%	2.29%	0.77%
MSME	8.03%	3.76%	1.71%
Corporate borrowers	NA	NA	NA
Services	10.64%	3.58%	1.14%
Unsecured personal loans	NA	NA	N.A
Auto loans	NA	NA	N.A
Other personal loans	NA	NA	N.A

including manufacturing & production, trade & retail, CS and others.

Fusion Micro Finance Limited (formerly known as Fusion Micro Finance Private Limited)
Annexure 6-Notes to Restated Ind AS summary statement

(Rs in millions unless otherwise stated)

i. Movement of NPAs

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
i) Net NPA to net advances percentage	**1.74%**	**2.35%**	**0.39%**
ii) Movement of NPAs (Gross)			
a) Opening balance	2,558.90	384.49	404.24
b) Additions during the year	3,959.74	2,500.47	332.30
c) Reduction during the year (write off)	(2,934.39)	(326.06)	(352.05)
d) Closing balance	**3,584.25**	**2,558.90**	**384.49**
iii) Movement of net NPAs			
a) Opening balance	1,023.68	130.47	144.52
b) Additions during the year	6.60	893.21	(14.05)
c) Reduction during the year		-	-
d) Closing balance	**1,030.28**	**1,023.68**	**130.47**
iv) Movement of provisions for NPAs (excluding provisions on standard assets)			
a) Opening balance	1,535.23	254.04	259.71
b) Provision made during the year	3,953.15	1607.25	346.38
c) Write off/write back of excess provisions	(2,934.39)	(326.06)	(352.05)
d) Closing	**2,553.99**	**1535.23**	**254.04**

j. Investments

Particular	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
1. Value of Investments			
(i) Gross value of investments			
(a) In India	-	-	5.00
(b) Outside India	-	-	-
(ii) Provision for depreciation	-	-	-
(a) In India	-	-	-
(b) Outside India	-	-	-
(iii) Net value of investments	-	-	-
(a) In India	-	-	5.00
(b) Outside India	-	-	-
2. Movement of provisions held towards depreciation on investments			
Opening balance	-	-	-
Add: Provisions made during the year	-	-	-
Less: Write-off/write-back of excess provisions during the year	-	-	-
Closing balance	-	-	-

j(a). Public disclosure on liquidity risk management

(i). Funding concentration based on significant counterparty *(both deposits and borrowings)

	Number of significant counterparties	Amount	% of Total Deposits	% of Total Liabilities
March 31, 2022	26	46,487.13	-	78.10%
March 31, 2021	30	38237.82		86.28%

(ii). Top 20 large deposits - Not applicable
The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

(iii). Top 10 borrowings (amount in millions and % of total borrowings)

As at March 31, 2022		As at March 31, 2021	
Amount	**% of Total Borrowings**	**Amount**	**% of Total Borrowings**
31,495.69	54.53%	23,354.16	52.70%

(iv). Funding concentration based on significant instrument/product*

Name of the instrument/product	As at March 31, 2022		As at March 31, 2021	
	Amount	**% of Total Liabilities**	**Amount**	**% of Total Liabilities**
Term loans from Banks	42,525.11	71.44%	30351.15	68.49%
Subordinate Debts	1,625.67	2.73%	1167.21	2.63%
Non Convertible Debentures	7,837.76	13.17%	9904.49	22.35%
Term Loans from Others Parties (NBFC and FIs)	5,769.55	9.69%	2894.3	6.53%
Borrowings under Securitization arrangement	-	0.00%	-	0.00%

(v). Stock Ratios

Particulars	As a % of total public funds*	As a % of total liabilities*	As a % of total assets
Commercial papers	-	-	-
Non Convertible Debenture (Original	-	-	-
Other short-term liabilities	60.96%	59.15%	48.29%

(vi). Institutional set-up for liquidity risk management

The Board of Directors has the overall responsibility for establishing the risk management framework for the Company. The Board in turn has established an ALM Committee (ALCO) for evaluating, monitoring and reviewing liquidity and interest rate risks arising in the Company on both sides of the Balance sheet. The Board based on recommendations from the ALCO has prescribed policies and the risk limits for the management of liquidity risk.

ALCO Committee is responsible for managing the risks arising out of Asset Liability mismatches consistent with the regulatory requirements and internal risk tolerances established by the Board. Amongst other responsibilities, ALCO has been empowered to decide the funding mix for the company in light of the future business strategy and prevailing market conditions. ALCO committee is conducted at least once in a quarter and the ALCO minutes are reviewed by the Board from time to time.

***Notes**

1. A "significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFC.

2. A "significant instrument/product" is defined as a single instrument/ product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFC's.

3. Total Liabilities has been computed as sum of all liabilities (carrying value) less equities and reserve/surplus.

4. "Public Funds" shall include funds raised either directly or indirectly through public deposits, commercial paper, debentures, inter-corporate deposits and bank finance but exclude funds raised by issue of instruments compulsory convertible into equity shares with in a period not exceeding 10 years from the date of issue as defined in Regulatory Framework For Core Investment Companies issued vie Notification No. DNBS (PD) CC.No206/03.10.001/2010-11 dated January 5, 2011.

5. The amount stated in this disclosure is based on the Restated Ind AS Summary Statement for the year ended March 31, 2022

k. Details of assignment transactions:

Particulars		March 31, 2022	March 31, 2021	March 31, 2020
Total no. of loans assigned		3,05,690	99,375	2,81,906
Aggregate book value of loan assigned		6,934.54	1,180.20	3,522.17
Sale consideration received for loan assigned		6,934.54	1,180.20	3,522.17
Aggregate gain / (loss) over net book value	-	-	-	-

l. Disclosure related to securitization

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Total no. of loans securitized	-	-	1,40,732
Aggregate book value of loan securitized	-	-	1085.13
Aggregate book value of loan securitized (incl. MRR)	-	-	1172.90
Sale consideration received for loan securitized	-	-	1085.13
Credit enhancements provided and outstanding (Gross):			
Principal subordination	-	-	42.47
Cash collateral	-	-	30.33
Outstanding value of loan securitized during the year	-	-	156.93

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
1.Number of Special Purpose Vehicles (SPVs) sponsored by the Company for securitisation transactions	-	-	6
2.Total amount of securitised assets as per books of the SPVs sponsored by the Company#	-	-	568.89
3.Total amount of exposures retained by the Company to comply with Minimum Retention Rate (MRR) as on the date of balance sheet			
a) Off-balance sheet exposures			
* First loss	-	-	-
* Others	-	-	-
b) On-balance sheet exposures			
* First loss (Cash collateral)	-	-	170.50
* First loss (Micro finance loans)	-	-	194.64
* Others	-	-	-
4. Amount of exposures to securitization transactions other than MRR			
a) Off-balance sheet exposures	-	-	-
i) Exposure to own securitizations	-	-	-
* First loss	-	-	-
* Others	-	-	-
ii)Exposure to third party securitizations			
* First loss	-	-	-
* Others	-	-	-
b) On-balance sheet exposures			
i) Exposure to own securitizations			
* First loss	-	-	-
* Others	-	-	-
ii) Exposure to third party securitizations			
* First loss	-	-	-
* Others	-	-	-

(Rs in millions unless otherwise stated)

m. Provisions and contingencies (shown under expenditure in statement of profit and loss)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Provision for non-performing loan portfolio	3,953.15	1,607.24	346.38
Provision for standard portfolio	(268.28)	589.47	567.28
Provision for insurance recoverable and BC collection	-	-	6.01
Provision for Income Tax (net)	26.71	128.47	303.85
Provision for cash loss	(11.43)	9.21	5.72
Provision for gratuity	23.11	17.86	12.71
Provision for leave benefits	21.38	20.31	15.40

n. Information on Net Interest Margin

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Average interest charged (A)	18.82%	20.45%	21.18%
Average effective cost of borrowings (B)	10.43%	11.23%	12.33%
Net Interest Margin (A-B)	**8.39%**	**9.22%**	**8.85%**

1. Interest income considered for computation of "average interest charged" excludes loan processing fee collected from customers in accordance with para 54(vi) of the RBI Master Directions. As per Ind AS 109, such loan processing fee forms part of interest income in the Restated Ind AS Summary Statements.

2. Average loan outstanding considered for computation of "average interest charged" is gross of the impairment allowance and unamortized portion of loan processing fee. As per Ind AS 109, such allowance is adjusted from the loan balance in the Restated Ind AS Summary Statements.

o. Prudential floor for impairment loss

Asset classification under RBI norms March 31, 2022	Asset classification under Ind AS	Gross carrying amount as per Ind AS	Loss allowance as required under Ind AS	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(I)	(II)	(III)	(IV)	(V) = (III) - (IV)	(VI)#	(VII) = (IV - VI)
Performing assets						
Standard assets	Stage I	57,890.26	597.12	57,293.14	590.64	6.48
	Stage II	1,310.91	452.39	858.53	27.50	424.89
Subtotal (A)		**59,201.17**	**1,049.51**	**58,151.67**	**618.14**	**431.37**
Non-performing assets						
Sub-standard	Stage III	3,584.26	2,553.99	1,030.27	585.47	1,968.52
Doubtful	Stage III	-	-	-	-	-
Up to 1 year	Stage III	-	-	-	-	-
1 to 3 years	Stage III	-	-	-	-	-
More than 3 years	Stage III	-	-	-	-	-
Loss assets	Stage III	-	-	-	-	-
Subtotal (B)		**3,584.26**	**2,553.99**	**1,030.27**	**585.47**	**1,968.52**
Total	Stage I	57,890.26	597.12	57,293.14	590.64	6.48
	Stage II	1,310.91	452.39	858.53	27.50	424.89
	Stage III	3,584.26	2,553.99	1,030.27	585.47	1,968.52
	Total	**62,785.43**	**3,603.50**	**59,181.94**	**1,203.61**	**2,399.89**

 # This also includes additional 10% provision on restructured loans as per the requirement of RBI circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021

Assets classification under RBI norms March 31 , 2021	Asset classification under Ind AS	Gross carrying amount as per Ind AS	Loss allowance as required under Ind AS	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(I)	(II)	(III)	(IV)	(V) = (III) - (IV)	(VI)	(VII) = (IV - VI)
Performing assets						
Standard assets	Stage I	40,763.84	449.56	40,314.28	428.04	21.52
	Stage II	3,137.58	868.23	2,269.35	8.88	859.35
Subtotal (A)		**43,901.42**	**1,317.79**	**42,583.63**	**436.92**	**880.87**
Non-performing assets						
Sub-standard	Stage III	2,558.90	1,535.23	1,023.67	12.29	1,522.94
Doubtful	Stage III	-	-	-	-	-
Up to 1 year	Stage III	-	-	-	-	-
1 to 3 years	Stage III	-	-	-	-	-
More than 3 years	Stage III	-	-	-	-	-
Loss assets	Stage III	-	-	-	-	-
Subtotal (B)		**2,558.90**	**1,535.23**	**1,023.67**	**12.29**	**1,522.94**
Total	Stage I	40,763.84	449.56	40,314.28	428.04	21.52
	Stage II	3,137.58	868.23	2,269.35	8.88	859.35
	Stage III	2,558.90	1,535.23	1,023.67	12.29	1,522.94
	Total	**46,460.32**	**2,853.02**	**43,607.30**	**449.21**	**2,403.81**

Assets classification under RBI norms March 31 ,2020	Asset classification under Ind AS	Gross carrying amount as per Ind AS	Loss allowance as required under Ind AS	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(I)	(II)	(III)	(IV)	(V) = (III) - (IV)	(VI)	(VII) = (IV - VI)
Performing assets						
Standard assets	Stage I	33,861.54	645.31	33,216.23	333.10	312.21
	Stage II	166.06	83.02	83.04	1.53	81.49
Subtotal (A)		**34,027.60**	**728.33**	**33,299.27**	**334.63**	**393.70**
Non-performing assets						
Sub-standard	Stage III	384.49	254.04	130.45	3.25	250.79
Doubtful	Stage III	-	-	-	-	-
Up to 1 year	Stage III	-	-	-	-	-
1 to 3 years	Stage III	-	-	-	-	-
More than 3 years	Stage III	-	-	-	-	-
Loss assets	Stage III	-	-	-	-	-
Subtotal (B)		**384.49**	**254.04**	**130.45**	**3.25**	**250.79**
Total	Stage I	33,861.54	645.31	33,216.23	333.10	312.21
	Stage II	166.06	83.02	83.04	1.53	81.49
	Stage III	384.49	254.04	130.45	3.25	250.79
	Total	**34,412.09**	**982.37**	**33,429.72**	**337.88**	**644.49**

*The provision required as per IRACP norms has been calculated on the aggregate loan portfolio after derecognizing the securitised assets (net of MRR) which meets the de-recognition criteria under the previous GAAP.

p. Details of penalties imposed by RBI and other regulators

No penalty has been imposed by RBI and other regulators on the Company during the financial year ended March 31, 2022 ,March 31, 2021 and March 31, 2020

q. Details of unsecured advances

The Company has not given any unsecured advances against intangible securities such as charge over the rights, licenses, authority, etc. during the financial year ended March 31, 2022 ,March 31, 2021 and March 31, 2020.

r. Details of non-performing financial assets purchased / sold

The Company has not purchased / sold any non-performing financial assets during the financial year ended March 31, 2022 ,March 31, 2021 and March 31, 2020.

s. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC:

The Company has not exceeded the prudential exposures limits during the financial year ended March 31, 2022 ,March 31, 2021 and March 31, 2020.

t.Draw down from reserves

There has been no draw down from reserves during the year ended March 31, 2022 ,March 31, 2021 and March 31, 2020.

u. Derivatives
Currency and interest rate swap

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Notional Principal of swap agreements	890.42	-	-
Loss/(profit) which would be incurred if counterparties failed to fulfil their obligations under the agreement	77.11	-	-
Collateral required by the applicable NBFC upon entering into swaps	-	-	-
Concentration of credit risk arising from swap	-	-	-
Fair value of the swap book	77.11	-	-

v. The Company has no loans outstanding as at March 31, 2022, March 31, 2021 and March 31, 2020 that are secured against gold.

w. Details of registration with financial and other regulators

Regulator	Registration number	Date of registration
Ministry of Corporate Affairs	U65100DL1994PLC061287	September 5, 1994
Reserve Bank of India	B-14.02857	May 19, 2010

(Rs in millions unless otherwise stated)

x Disclosure of Liquidity risk management as per RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20

The requirements of the above circular with respect to the Liquidity Coverage Ratio ("LCR") have become applicable to the Company with effect from the quarter ended March 31, 2021. Accordingly, the Company has not calculated and disclosed LCR information as at end of other quarters i.e. quarters ended on June 30, 2020, September 30, 2020 and December 31, 2020.

		For quarter ended March 31, 2021	
		Total unweighted value (average)	**Total weighted value (average)**
High Quality Liquid Assets			
1	Total High Quality Liquid Assets (HQLA)	-	3,438.24
Cash Outflows			
2	Deposits (for deposit taking companies)	-	-
3	Unsecured wholesale funding	-	-
4	Secured wholesale funding	-	-
5	Additional requirements, of which	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	-	-
6	Other contractual funding obligations	3,028.79	3,483.10
7	Other contingent funding obligations	-	-
8	**Total cash outflows**	**3,028.79**	**3,483.10**
Cash Inflows			
9	Secured lending	-	-
10	Inflows from fully performing exposures	-	-
11	Other cash inflows	7,918.79	5,939.10
12	**Total cash inflows**	**7,918.79**	**5,939.10**
			Total Adjusted Value
13	**Total HQLA**		**3,438.24**
14	**Total net cash outflows**		**870.78**
15	**Liquidity Coverage ratio (%)**		**394.85%**
	Following assets formed part of HQLA		
	Assets		
	Cash on hand		92.83
	Balances with banks – Current Accounts		3,345.40
	Total		**3,438.23**

		For the quarter ended March 31, 2022		For quarter ended December 31, 2021	
		Total unweighted value (average)	Total weighted value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)	-	4,974.25	-	4,459.02
Cash Outflows					
2	Deposits (for deposit taking companies)	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-
4	Secured wholesale funding	-	-	-	-
5	Additional requirements, of which	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-
6	Other contractual funding obligations	4,329.83	4,979.30	3,681.20	4,233.38
7	Other contingent funding obligations	-	-	-	-
8	**Total cash outflows**	**4,329.83**	**4,979.30**	**3,681.20**	**4,233.38**
Cash Inflows					
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	-	-	-	-
11	Other cash inflows	5,139.42	3,854.56	4,956.34	3,717.25
12	**Total cash inflows**	**5,139.42**	**3,854.56**	**4,956.34**	**3,717.25**
			Total Adjusted Value		**Total Adjusted Value**
13	**Total HQLA**		**4,974.25**		**4,459.02**
14	**Total net cash outflows**		**1,244.83**		**1,058.35**
15	**Liquidity Coverage ratio (%)**		**399.59%**		**421.32%**
	Following assets formed part of HQLA				
	Assets				
	Cash on hand		129.41		119.97
	Balances with banks – Current Accounts		4,844.85		4,339.05
	Total		**4,974.26**		**4,459.02**

		For the quarter ended September 30, 2021		For quarter ended June 30, 2021	
		Total unweighted value (average)	Total weighted value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)	-	3,632.50	-	3,979.39
Cash Outflows					
2	Deposits (for deposit taking companies)	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-
4	Secured wholesale funding	-	-	-	-
5	Additional requirements, of which	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-
6	Other contractual funding obligations	2,905.07	3,340.83	2,973.63	3,419.67
7	Other contingent funding obligations	-	-	-	-
8	**Total cash outflows**	**2,905.07**	**3,340.83**	**2,973.63**	**3,419.67**
Cash Inflows					
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	-	-	-	-
11	Other cash inflows	3,559.74	2,669.80	6,968.98	5,226.74
12	**Total cash inflows**	**3,559.74**	**2,669.80**	**6,968.98**	**5,226.74**
			Total Adjusted Value		**Total Adjusted Value**
13	**Total HQLA**		**3,632.50**		**3,979.39**
14	**Total net cash outflows**		**835.21**		**854.92**
15	**Liquidity Coverage ratio (%)**		**434.92%**		**465.47%**
	Following assets formed part of HQLA				
	Assets				
	Cash on hand		126.41		110.95
	Balances with banks – Current Accounts		3,506.09		3,868.44
	Total		**3,632.50**		**3,979.39**

(Rs in millions unless otherwise stated)

y Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended:

			As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
S.No	**S.No**	**Particulars**	**Amount outstanding**	**Amount overdue**	**Amount outstanding**	**Amount overdue**	**Amount outstanding**	**Amount overdue**
Liabilities side								
		Loans and advances availed by the company inclusive of interest accrued thereon but not paid:						
		Debentures : Secured	5,870.52	-	9,550.41	-	2,909.01	-
	a	Debentures : Unsecured	3,418.27	-	1,304.17	-	1,152.96	-
1		(other than falling within the meaning of public deposits)						
	b	Deferred Credits						
	c	Term Loans*	48,726.16	-	33,841.32	-	25,892.78	-
	d	Inter corporate loans and borrowings						
	e	Commercial Paper						
	f	Public Deposit						
	g	Other loans (lease liability)	81.82	-	84.63	-	-	-

Asset Side

			As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
			Amount outstanding	**Amount outstanding**	**Amount outstanding**
	Break-up of Loans and Advances including bills receivables :				
2	a	Secured	271.61	35.07	-
	b	Unsecured	62,513.83	46,425.25	34,412.09
	Current Investments				
	1	**Quoted**			
		Shares	-	-	-
	(i)	(A) Equity	-	-	-
		(B) Preference	-	-	-
	(ii)	Debentures and Bonds	-	-	-
	(iii)	Units of Mutual Funds	-	-	-
	(iv)	Government Securities	-	-	-
	(v)	Others (Please specify)	-	-	-
	2	**Unquoted**			
		Shares			-
	(i)	(A) Equity	-	-	-
		(B) Preference	-	-	-
	(ii)	Debentures and Bonds	-	-	-
	(iii)	Units of Mutual Funds	-	-	-
	(iv)	Government Securities	-	-	-
	(v)	Others (Please specify) - Commercial Paper	-	-	-
3	**Long Term Investments**				-
	1	**Quoted**			
		Shares			-
	(i)	(A) Equity	-	-	-
		(B) Preference	-	-	-
	(ii)	Debentures and Bonds	-	-	-
	(iii)	Units of Mutual Funds	-	-	-
	(iv)	Government Securities	-	-	-
	(v)	Others (Please specify)	-	-	-
	2	**Unquoted**			
		Shares	-	-	-
	(i)	(A) Equity	-	-	-
		(B) Preference	-	-	-
	(ii)	Debentures and Bonds	-	-	-
	(iii)	Units of Mutual Funds	-	-	-
	(iv)	Government Securities	-	-	-
	(v)	Others (Please specify) - Pass through certificate, Units of debt fund and	-	-	-

Borrower group-wise classification of assets financed as in (2):& (3)

	Category	As at March 31, 2022			As at March 31, 2021			As at March 31, 2020		
		Amount net of provision			Amount net of provision			Amount net of provision		
		Secured	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**	**Secured**	**Unsecured**	**Total**
4	a. Subsidiaries	-	-	-	-	-	-	-	-	-
	b. Companies in the same group	-	-	-	-	-	-	-	-	-
	c. other related parties	-	-	-	-	-	-	-	-	-
	Other then related parties	271.61	58,910.33		35.07	43,572.23	43,607.30	-	33,429.73	33,429.73
	Total	**271.61**	**58,910.33**	**-**	**35.07**	**43,572.23**	**43,607.30**	**-**	**33,429.73**	**33,429.73**

Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

			As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
5	**Category**		**Market Value**	**Book value (net of provisions)**	**Market Value**	**Book value (net of provisions)**	**Market Value**	**Book value (net of provisions)**
	a.	Subsidiaries	-	-	-	-	-	-
	b.	Companies in the same group	-	-	-	-	-	-
	c.	other related parties	-	-	-	-	-	-
	Other then related parties		-	-	-	-	-	-
	Total		**-**	**-**	**-**	**-**	-	-

			As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	Other information				
	Particulars		**Amount**	**Amount**	**Amount**
	Gross Non Performing Assets				
	a.	Related parties	-	-	-
6	b.	Other than related parties	3,584.26	2,558.90	384.49
	Net Non Performing Assets				
	a.	Related parties	-	-	-
	b.	Other than related parties	1,030.28	1,023.68	130.45

(Rs in millions unless otherwise stated)

57 (i) Details of resolution plan implemented under the Resolution Framework for COVID-19-related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) are not applicable as the Company has not restructured any loan accounts under resolution framework 1.0.

(ii) Details of resolution plan implemented under the RBI Resolution Framework - 2.0: Resolution are given below: -

S.No	Description	JLG Loans	MSME Loans
A	Number of requests received for invoking resolution process (In Number)	88,611	48
B	Number of accounts where resolution plan has been implemented under this window. (In Number)	85,454	25
C	Exposure to accounts mentioned at (B) before implementation of the plan.	1,336.74	5.23
D	Of (C), aggregate amount of debt that was converted into other securities.	-	-
E	Additional funding sanctioned, if any, including between invocation of the plan and implementation.	-	-
F	Increase in provisions on account of the implementation of the resolution plan*	133.67	0.52

*Represents impairment loss allowance maintained as per regulatory requirement

58 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

59 Analytical Ratios:

Ratios	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	% variance (March 2022 V March 2021)	% variance (March 2021 V March 2020)	Reason for Variance
a) Capital to risk-weighted assets ratio (CRAR)	Total Capital	Risk weighted assets	21.94%	27.26%	35.82%	-19.52%	-23.88%	NA
(b) Tier I CRAR	Tier -I capital	Risk weighted assets	19.93%	25.52%	33.08%	-21.89%	-22.85%	NA
(c) Tier II CRAR	Tier -II capital	Risk weighted assets	2.01%	1.74%	2.74%	15.14%	-36.36%	Change of more than 25% from March 31, 2020 to March 31,2021 is attributable to reduction in Tier II capital by Rs 172.70 million and increase in Risk weighted assets by Rs 10,138.67 Million
(d) Liquidity Coverage Ratio	Total HQLA	Total net cash outflows	399.59%	394.85%	433.29%	1.20%	-8.87%	NA

Notes to above :

Total risk-weighted assets represents the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI.

Tier I capital means owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances, including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund.

Tier II capital includes preference share capital, revaluation reserves, general provisions and loss reserves, hybrid debt capital instruments and subordinate debts to the extent the aggregate does not exceed Tier I capital.

"High Quality Liquid Assets (HQLA)" means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios.

Total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days

60 With regard to the new amendments under "Division III of Schedule III" under "Part II – Statement of Profit and Loss - General Instructions for preparation of Statement of Profit and Loss" :-
(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
(ii) The Company do not have any transactions with companies struck off.
(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(iv) The Company have not traded or invested in Crypto currency or virtual currency during the financial year.
(v) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
(vi) The Company have not any such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(Rs in millions unless otherwise stated)

A. Material Restatement Adjustments and Regroupings

A.1 Material Restatement Adjustments

I. Statement of Impact of restatement adjustments on statement of profit and loss

	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Total comprehensive income as per Audited Financial Statements	219.77	439.47	701.16
Restatement adjustment	-	-	-
Restated total comprehensive income	**219.77**	**439.47**	**701.16**

II. Adjustments to total equity as per audited financial statements with total equity as per Restated IndAS summary statements

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
a. Total equity as per Audited Financial Statements*	13,379.51	12,463.55	11,988.89	6,226.64
b. Adjustment for conversion from IGAAP to Ind AS (refer note 55)				31.90
c. Equity as per Ind AS (a+b)	13,379.51	12,463.55	11,988.89	6,258.54
d. Material restatement adjustments				
(i) Audit qualifications	-	-	-	-
(ii) Other material adjustments	-	-	-	
- Change in accounting policies	-	-	-	-
-Other adjustments	-	-	-	
Total (d)	-	-	-	-
Total Equity as Restated Ind AS Summary Statement of Assets and Liabilities (a+b+c+d)	**13,379.51**	**12,463.55**	**11,988.89**	**6,258.54**

*The audited financial statements of the Company as at and for the year ended March 31, 2019 were prepared in accordance with the Companies (Accounting Standards) Rules 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014. The audited financial statements as at March 31, 2019 is used as opening balance as at April 1, 2019 for the purpose of Restated Ind AS Summary Statements.

A.2 Non-adjusting items

I There are no qualifications requiring adjustments in the auditors' reports on the audited financial statements of the Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31,2020, however, Auditor's Reports for year ended March 31, 2022, March 31, 2021 and March 31, 2020 included Emphasis of Matter paragraph relating to impact of Coronavirus disease 2019 (COVID-19) on the operations of the Company. Audit opinion for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 is not modified in respect of this matter.

II Qualifications included in the Auditor's Report issued under Companies (Auditor's Report) Order, 2016 for year ended March 31, 2021 and March 31, 2020 and Companies (Auditor's Report) Order, 2020 for the year ended March 31, 2022 as applicable, issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Ind AS Summary Statements are as follows:

For the Year ended March 31, 2022

Clause(c):
In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing microfinance loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) in this Annexure 1, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification in note 6 to the financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable

Clause(d):
In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing microfinance loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) in this Annexure 1, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification in note 6 to the financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable

For the Year ended March 31, 2021

Clause (x):
Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year except for instances of cash embezzlements by certain employees of the company aggregating to an amount of Rs. 9,774,795 and out of which amount of Rs. 5,183,900 has been recovered.

For the Year ended March 31, 2020

Clause (x):
Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year except for instances of cash embezzlements by certain employees of the company aggregating to an amount of Rs. 5,007,600 and out of which an amount of Rs. 2,116,533 has been recovered. The services of the concerned employees have been terminated.

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A.3 Material regrouping

Appropriate regroupings have been made in the restated statements of assets and liabilities, profit and loss and cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the financial statement of the Company for the year ended March 31, 2022 prepared in accordance with Schedule III of the Act, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the SEBI ICDR regulations, as amended.

A.4 Material errors

There are no material errors that require adjustment in the Restated Ind AS Summary Statements.

As per our report of even date

for S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

for and on behalf of the Board of Directors of
Fusion Micro Finance Limited
CIN:U65100DL1994PLC061287

Amit Kabra
Partner
Membership Number : 094533

Devesh Sachdev
MD and CEO
DIN : 02547111

Ratna Dharashree Vishwanathan
Director
DIN : 07278291

Deepak Madaan
Company Secretary and Compliance Officer

Gaurav Maheshwari
Chief Financial Officer

Place: Gurugram
Date : May 06, 2022

Place: Gurugram
Date : May 06, 2022

SELECTED STATISTICAL INFORMATION

The following information should be read together with our Restated Financial Statements. The amounts presented in this section are derived from our Restated Financial Statements or internally generated unaudited statistical data. Our Restated Financial Statements have been derived from the audited financial statements of our Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which were prepared in accordance with the Ind AS, and restated in accordance with the SEBI ICDR Regulations, the Guidance Note and relevant provisions of the Companies Act.

This Addendum to the Draft Red Herring Prospectus, including this section "Selected Statistical Information", includes certain non-GAAP measures, such as pre-provision operating profit before tax, EBITDA, net worth, average net worth, net interest income, average borrowing, return on net worth, return on average gross AUM, return on average net worth, average borrowings to average net worth, average net worth to average gross AUM, debt to equity ratio, net asset value per Equity Share, operating expenses, impairment on loan portfolio to average gross loan portfolio, credit loss ratio, credit cost (based on average gross AUM), operating expenses to total income ratio, cost to income ratio, AUM, as well as financial measures and certain other statistical information of our financial condition and operations, which are supplemental measures of our performance and liquidity that are not required by, prepared under or presented in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP, i.e., non-GAAP measures, which may not accurately represent our financial condition, performance and results of operations. The non-GAAP measures relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other MFIs or financial services companies. Further, these non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS, and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, such non-GAAP measures are not a standardised term, hence a direct comparison of similarly-titled non-GAAP measures between companies may not be possible. Other companies may calculate non-GAAP measures differently from us, limiting its utility as a comparative measure.

Although such non-GAAP financial information are not measures of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. Accordingly, investors should not place undue reliance on the non-generally accepted accounting principles financial information included in this Addendum to the Draft Red Herring Prospectus.

Key Financial and Operational Metrics

The following table sets forth information relating to our key financial and operational metrics as of and for the years indicated:

Particulars	**As of and for the Financial Years Ended March 31,**		
	2022	**2021**	**2020**
	(₹ in millions, except otherwise indicated)		
Pre-provision operating profit before tax(1)	3,931.19	2,775.71	1,926.94
Profit for the year(2)	217.55	439.44	696.10
Total comprehensive income for the year(3)	219.77	439.47	701.16
Total assets(4)	72,904.82	58,379.33	42,339.94
Gross AUM(5)	67,859.71	46,378.39	36,065.24
Annual average gross AUM(6)	57,119.05	41,221.82	31,239.58
Gross AUM growth(7)	46.32%	28.60%	36.54%
Net worth(8)	13,379.51	12,463.55	11,988.89
Average net worth(9)	12,921.53	12,226.22	9,123.72
Total borrowings(10)	57,758.09	44,322.50	29,736.85
Average borrowings(11)	51,040.30	37,029.68	29,511.37
Return on average gross AUM(12)	0.38%	1.07%	2.23%
Return on average net worth(13)	1.68%	3.59%	7.63%
Average borrowings to Average net worth(14) *(times)*	3.95	3.03	3.23
Average net worth to Average gross AUM(15) *(times)*	0.23	0.30	0.29

Particulars	As of and for the Financial Years Ended March 31,		
	2022	2021	2020
	(₹ in millions, except otherwise indicated)		
Debt to equity ratio[16] *(times)*	4.32	3.56	2.48
Earning per share[17]:			
Basic – par value of ₹10 each *(₹)*	2.67	5.56	10.47
Diluted – par value of ₹10 each *(₹)*	2.64	5.49	10.32
Net asset value per Equity Share[18]	161.67	150.92	145.32

Figures disclosed in the above table, except for "Profit for the year", "Total comprehensive income for the year", "Total borrowings", "Basic Earning per Share" and "Diluted Earning per Share", are not measures of financial position, financial performance or cash flows defined by generally accepted accounting principles, and may not be comparable to similarly-titled measures presented by other companies.

Notes:

(1) Pre-provision operating profit before tax represents the sum of profit before tax for the relevant year and impairment on financial instruments for such year derived from our Restated Financial Statements.

(2) Profit for the year represents profit for the relevant year.

(3) Total comprehensive income represents total comprehensive income for the relevant year.

(4) Total assets represents total assets as of the last day of the relevant year.

(5) Gross AUM represents the aggregate of principal outstanding for all loans to customers and assets pertaining to securitization, assignment and business correspondent portfolio, as of the last day of the relevant year.

(6) Annual average Gross AUM represents the simple average of our Gross AUM as of the last day of the relevant year and that as of the last day of the previous year.

(7) Gross AUM growth represents percentage of change in gross AUM as of the last day of the relevant year over that as of last day of the previous year.

(8) Net worth represents our total equity, which includes equity share capital and other equity derived from our Restated Financial Statements, as of the last day of the relevant year.

(9) Average net worth represents the simple average of our net worth as of the last day of the relevant year and that as of the last day of the previous year.

(10) Total borrowings represents the aggregate of debt securities, subordinate liabilities, borrowings (other than debt securities) as of the last day of the relevant year derived from our Restated Financial Statements.

(11) Average borrowings represents the simple average of total borrowings outstanding as of the last day of the relevant year and that as of the last day of the previous year.

(12) Return on average gross AUM represents profit for the relevant year derived from our Restated Financial Statements as a percentage of average gross AUM for such year.

(13) *Return on average net worth represents* profit for the relevant year derived from our Restated Financial Statements as a percentage of average net worth for such year.

(14) Average borrowings to average net worth represents average borrowings for the relevant year as a percentage of average net worth for such year.

(15) Average net worth to average gross AUM is calculated as average net worth for the relevant year as a percentage of average gross AUM for such year.

(16) Debt to equity ratio represents our total borrowings divided by total equity attributable to shareholders as of the last day of the relevant year derived from our Restated Financial Statements. Total borrowings represents the aggregate of debt securities, subordinate liabilities, borrowings (other than debt securities) as of the last day of the relevant year derived from our Restated Financial Statements.

(17) Basic Earning per Share and Diluted Earning per Share calculations are done in accordance with Ind AS 33 – Earnings Per Share, derived from our Restated Financial Statements.

(18) Net asset value per Equity Share represents is calculated as Total Equity as of the end of relevant year divided by the number of Equity Shares outstanding at the end of such year.

Financial Metrics

The following table sets forth certain of our financial ratios and other metrics, as of and for the years indicated:

Particulars	As of and for the Financial Year Ended March 31,		
	2022	2021	2020
	(₹ in millions, except percentages)		
Total revenue from operations[1]	11,512.65	8,558.12	7,202.64
Other income[2]	500.84	172.76	100.47
Total income [3]	12,013.49	8,730.88	7,303.11
Finance costs [4]	4,959.64	3,751.04	3,376.72
Net interest income[5]	5,606.67	4,308.93	3,123.00
Net interest margin[6]	8.39%[7]	9.22%	8.85%

Particulars	As of and for the Financial Year Ended March 31,		
	2022	2021	2020
	(₹ in millions, except percentages)		
Operating expenses[8]	3,122.66	2,204.13	1,999.45
Operating expenses / Average gross AUM[9]	5.47%	5.35%	6.40%
Depreciation and amortisation[10]	53.71	38.94	25.76
Total expenses[11]	11,769.23	8,162.97	6,303.16
Impairment on financial instruments[12]	3,686.93	2,207.80	926.99
Impairment on loan portfolio / Average gross loan portfolio[13]	6.75%	5.43%	3.02%
Credit loss ratio[14]	5.37%	0.81%	1.16%
Credit cost (based on average gross AUM)[15]	6.45%	5.33%	2.92%
Operating expenses to total income ratio[16]	25.99%	25.25%	27.38%
Cost to income ratio[17]	44.27%	44.26%	50.92%
PAR>30[18]	4,895.17	5,696.48	550.55
PAR>90[19]	3,584.26	2,558.90	384.49
PAR>30 percentage[20]	7.78%	12.26%	1.60%
PAR>90 percentage[21]	5.71%	5.51%	1.12%
Gross NPAs[22]	3,584.26	2,558.90	384.49
Gross NPAs / Loans to customers outstanding[23]	5.71%	5.51%	1.12%
Net NPAs[24]	1,030.27	1,023.67	130.45
Net NPAs / Loans to customers outstanding[25]	1.64%	2.20%	0.38%
COVID-19 provisions[26]	–	–	510.41

Figures disclosed in the above table, except for "Total revenue from operations", "Other income", "Total income", "Finance costs", "Depreciation and amortisation", "Total expenses" and "Impairment on financial instruments", are not measures of financial position, financial performance or cash flows defined by generally accepted accounting principles, and may not be comparable to similarly-titled measures presented by other companies.

Notes:

(1) Total revenue from operations represents our revenue from operations for the relevant year derived from our Restated Financial Statements.

(2) Other income represents our other income for the relevant year derived from our Restated Financial Statements.

(3) Total income represents our total income for the relevant year.

(4) Finance costs represents our finance costs for the relevant year derived from our Restated Financial Statements.

(5) Net interest income represents interest income on loan portfolio for the relevant year reduced by finance costs for such year derived from our Restated Financial Statements.

(6) Net interest margin represents net interest income for the relevant year as a percentage of average loans to customers for such year. Average loans to customers represents the simple average of our loans to customers as of the last day of the relevant year and that as of the last day of the previous year derived from our Restated Financial Statements.

(7) Net interest margin for the financial year 2022 was subject to interest reversals as a result of the COVID-19 pandemic on PAR>90 assets.

(8) Operating expenses represents the aggregate of employee benefits expenses, depreciation and amortisation and other expenses for the relevant year derived from our Restated Financial Statements.

(9) Operating expenses / Average gross AUM represents operating expenses for the relevant year as a percentage of average gross AUM for such year.

(10) Depreciation and amortisation represents our depreciation and amortisation expenses for the relevant year derived from our Restated Financial Statements.

(11) Total expenses represents our total expenses for the relevant year derived from the Restated Financial Statements.

(12) Impairment on financial instruments represents such expenses for the relevant year derived from the Restated Financial Statements.

(13) Impairment on loan portfolio / Average loan portfolio represents impairment on financial instruments for the relevant year derived from our Restated Financial Statements as a percentage of average loans to customers for such year. Average loans to customers for the relevant year represents the simple average of our term loans (gross) as of the last day of the relevant year and that as of the last day of the previous year derived from our Restated Financial Statements.

(14) Credit loss ratio represents loans written off during the relevant year as a percentage of average loans to customers for such year. Average loans to customers for the relevant year represents the simple average of our term loans (gross) as of the last day of the relevant year and that as of the last day of the previous year derived from our Restated Financial Statements.

(15) Credit cost (based on average gross AUM) represents impairment on financial instruments the relevant year derived from our Restated Financial Statements as a percentage of average Gross AUM.

(16) Operating expenses to total income ratio represents operating expenses for the relevant year as a percentage of total income for such year derived from our Restated Financial Statements.

(17) Cost to income ratio represents operating expenses (which comprises the aggregate of employee benefits expense, depreciation and amortisation and other expenses) as a percentage of total income less finance costs for the relevant year derived from our Restated Financial Statements.

(18) PAR>30 represents the aggregate of Stage II assets and Stage III assets as of the last day of the relevant year. Stage II assets (31-90 days)

includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. Stage III assets (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

(19) PAR>90 represents the portfolio of Stage III assets as of the last day of the relevant year.

(20) PAR>30 percentage represents the aggregate of Stage II and Stage III assets as of the last day of the relevant year as a percentage of the total gross carrying value of loans as of the last day of the relevant year derived from our Restated Financial Statements.

(21) PAR>90 percentage represents the portfolio of Stage III assets as of the last day of the relevant year as a percentage of the total gross carrying value of loans as of the last day of the relevant year derived from our Restated Financial Statements.

(22) Gross NPAs represents our portfolio of Stage III Assets (overdue for more than 90 days) as of the last day of the relevant year.

(23) Gross NPAs / Loans to customer outstanding represents our portfolio of Stage III assets as of the last day of the relevant year as a percentage of loans gross of impairment allowance for the relevant year.

(24) Net NPAs represents Stage III Assets (Gross NPAs) as of the last day of the relevant year as reduced by impairment allowance on Stage III Assets for such year.

(25) Net NPAs / Loans to customers outstanding represents Net NPAs as of the last day of the relevant year as a percentage of loans gross of impairment allowance derived from our Restated Financial Statements for the relevant year.

(26) COVID-19 provisions represent provisions made relating to the COVID-19 pandemic for the relevant year.

Liabilities and Provisions

The following table sets forth the principal components of our liabilities and provisions, and each item expressed as a percentage of total liabilities, derived from our Restated Financial Statements as of the dates indicated:

Particulars	As of March 31,					
	2022		2021		2020	
	(₹ in millions, except percentages)					
Financial liabilities:						
Trade payables	176.59	0.30%	113.06	0.25%	40.71	0.13%
Debt securities	7,837.76	13.17%	9,904.50	21.57%	3,998.98	13.15%
Borrowings (other than debt securities)	48,294.66	81.13%	33,250.79	72.42%	24,571.58	80.80%
Subordinated liabilities	1,625.67	2.73%	1,167.21	2.54%	1,166.29	3.84%
Derivative financial instruments	77.11	0.13%	–	–	–	–
Other financial liabilities	1,334.32	2.24%	1,265.98	2.76%	513.28	1.69%
Sub-total	**59,346.11**	**99.70%**	**45,701.54**	**99.53%**	**30,290.84**	**99.60%**
Non-financial liabilities:						
Current tax liabilities (net)	1.04	0.00%	53.98	0.12%	0.53	0.01%
Provisions	71.68	0.12%	80.76	0.18%	57.72	0.19%
Other non-financial liabilities	106.48	0.18%	79.50	0.17%	61.96	0.20%
Sub-total	**179.20**	**0.30%**	**214.24**	**0.47%**	**120.21**	**0.40%**
Total liabilities	**59,525.31**	**100.00%**	**45,915.78**	**100.00%**	**30,411.05**	**100.00%**

Borrowing Profile

The following table sets forth a summary of the components of our borrowing profile, and each item expressed as a percentage of total borrowings, as of the dated indicated:

Particulars	As of March 31,					
	2022		2021		2020	
	(₹ in millions, except percentages)					
Debt securities:						
Non-convertible debentures (Secured by book debts)	5,788.92	10.02%	8,605.90	19.42%	2,851.29	9.59%
Non-convertible debentures (Unsecured)	2,048.84	3.55%	1,298.60	2.93%	1,147.69	3.86%
Total debt securities (A)	**7,837.76**	**13.57%**	**9,904.50**	**22.35%**	**3,998.98**	**13.45%**
Borrowings (other than debt securities):						
Term loans:						
i) from banks	40,337.54	69.84%	26,856.90	60.59%	19,127.76	64.32%
ii) from other parties	5,769.54	9.99%	2,619.30	5.91%	2,644.79	8.89%
Short term loans from banks	1,343.92	2.33%	3,499.64	7.90%	2,398.77	8.07%
Short term loans from financial institutions	–	–	274.95	0.62%	–	–
External commercial borrowings	843.66	1.46%	–	–	–	–
Borrowings under securitization arrangement	–	–	–	–	400.26	1.35%
Total borrowings (other than debt securities) (B)	**48,294.66**	**83.62%**	**33,250.79**	**75.02%**	**24,571.58**	**82.63%**
Subordinated liabilities:						

Particulars	As of March 31,					
	2022		2021		2020	
	(₹ in millions, except percentages)					
i) from banks	300.00	0.52%	300.00	0.68%	300.00	1.01%
ii) from other than banks	1,325.67	2.30%	867.21	1.96%	866.29	2.91%
Total subordinated liabilities (C)	**1,625.67**	**2.81%**	**1,167.21**	**2.63%**	**1,166.29**	**3.92%**
Total borrowings (A+B+C)	**57,758.09**	**100.00%**	**44,322.50**	**100.00%**	**29,736.85**	**100.00%**

Yield and Cost of Funds

The following table sets forth the yields and cost of funds for our Company as of the dates indicated:

Particulars	As of March 31,		
	2022	2021	2020
Average yield on loan portfolio(1)	18.82%	20.45%	21.18%
Quarterly average yield on quarterly average loan portfolio(2)	19.01%	20.63%	21.22%
Quarterly average yield on disbursements(3)	20.95%	21.54%	21.78%
Average annual incremental cost of borrowings(4)	10.04%	10.84%	12.14%
Average quarterly incremental cost of borrowings(5)	10.13%	10.66%	12.25%
Average annual effective cost of borrowings(6)	10.43%	11.23%	12.33%
Average quarterly effective cost of borrowings(7)	10.51%	11.26%	12.30%
Interest spread(8)	8.39%(9)	9.22%	8.85%

Notes:

(1) Average yield on loan portfolio represents interest income earned for the relevant year as a percentage of monthly average loan portfolio outstanding for such year.

(2) Quarterly average yield represents the quarterly average of interest income earned on loan portfolio for the relevant year as a percentage of quarterly average loan portfolio for the relevant year.

(3) Quarterly average yield on disbursements represents the average of interest earned on disbursements for the relevant quarter as a percentage of the disbursements for the relevant quarter in the relevant year mentioned.

(4) Average annual incremental cost of borrowings represents the weighted average cost of borrowings as a percentage of borrowings availed for the relevant financial year.

(5) Average quarterly incremental cost of borrowings represents the weighted average cost of borrowings for the quarter as a percentage of borrowings availed in the relevant quarter of the relevant financial year.

(6) Average annual effective cost of borrowings represents finance cost as a percentage of average outstanding borrowings for the relevant year.

(7) Average quarterly effective cost of borrowings represents the average of effective cost of borrowings for the relevant quarter of the relevant financial year.

(8) Interest spread represents the excess of the average yield on loan portfolio and average annual effective cost of borrowings for the relevant year, i.e. net interest margin as calculated as per the prescribed guidelines of the RBI.

(9) Interest spread for the financial year 2022 was subject to interest reversals as a result of the COVID-19 pandemic on PAR>90 assets.

Asset Liability Management

The following table sets forth the maturity profile of our interest-bearing assets (advances) and interest-bearing liabilities (borrowings) across different time periods, as of March 31, 2022:

Particulars	1-7 Days	8-14 Days	15-30 Days	1 to 2 Months	2 to 3 Months	3 to 6 Months	6 Months to 1 Year	1 to 3 Years	3 to 5 Years	Over 5 Years	Total
	(₹ in millions)										
Borrowings(1)	159.23	994.02	1,639.17	3,685.30	3,435.82	10,379.30	13,309.61	21,004.20	2,624.04	527.39	**57,758.09**
Advances(2)	895.56	896.66	1,921.19	3,211.44	3,222.85	9,613.07	17,282.14	23,034.38	87.30	66.86	**60,231.45**

Notes:

(1) Borrowings exclude accrued interest.

(2) Advances are net of provision towards non-performing loans and advances.

The following table sets forth the average maturity of our assets and liabilities as of the dates indicated:

Particulars	As of March 31,		
	2022	2021	2020
	(months)		
Average maturity of assets(1)	20	19	17

Particulars	As of March 31,		
	2022	2021	2020
		(months)	
Average maturity of liabilities[(2)]	22	24	23

Notes:

(1) Average maturity of assets is the weighted average of all the maturities of all assets, calculated to determine the average time to maturity of all assets in months.

(2) Average maturity of liabilities is the weighted average of all the maturities of all liabilities, calculated to determine the average time to maturity of all liabilities in months.

Classification of Assets

Our Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage I (0-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage II (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage III (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

Provisioning and write-offs

MFIs are required to adopt the asset classification and provisioning norms as set forth below:

(i) a "standard asset" means the asset in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business; and

(ii) a "non-performing asset" means an asset for which interest or principal payment has remained overdue for a period of 90 days or more.

For non-performing assets, expected credit loss allowance ("**ECL**") is as per our Board-approved ECL model to ensure compliance with RBI Circular No. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

Classification and provisioning for assets

The following table sets forth information regarding classification of our Company's loans as of the dates indicated:

Particulars	As of March 31,		
	2022	2021	2020
		(₹ in millions)	
Gross carrying value:			
Stage I	57,890.26	40,763.84	33,861.54
Stage II	1,310.91	3,137.58	166.06
Stage III	3,584.26	2,558.90	384.49
Total gross carrying value	**62,785.43**	**46,460.32**	**34,412.09**
ECL allowance:			
Stage I	597.12	449.56	645.31
Stage II	452.39	868.23	83.02
Stage III	2,553.99	1,535.23	254.04
Total ECL allowance	**3,603.50**	**2,853.02**	**982.36**
ECL allowance percentage[(1)]	**5.74%**	**6.14%**	**2.85%**

Particulars	As of March 31,		
	2022	2021	2020
		(₹ in millions)	
Net carrying value:			
Stage I	57,293.14	40,314.28	33,216.23
Stage II	858.53	2,269.35	83.04
Stage III	1,030.27	1,023.67	130.45
Total net carrying value	**59,181.93**	**43,607.30**	**33,429.72**

Note:

(1) ECL allowance percentage represents ECL allowance for the relevant year as a percentage of the total gross carrying value of our loans as of the last day of the relevant year derived from our Restated Financial Statements.

The following table sets forth information regarding the provisioning of our Company's loans as of the dates indicated:

Particulars	As of March 31,		
	2022	2021	2020
Stage I and II	1.77%	3.00%	2.14%
Stage III	71.26%	60.00%	66.07%
Impairment allowance coverage ratio[1]	**100.54%**	**111.49%**	**255.50%**

Note:

(1) Impairment allowance coverage ratio represents the ratio of total impairment allowance on term loans (gross) derived from our Restated Financial Statements to Stage III Assets (Gross NPAs) for the relevant year.

Impairment on financial instruments

Our Company has adopted Ind AS, which requires impairment on financial instruments to be computed using the ECL methodology. Impairment on financial instruments calculated under the ECL methodology may differ materially from calculated under the Income Recognition, Asset Classification and Provisioning ("**IRACP**") norms applicable under Indian GAAP.

The following table sets forth the difference between impairment on financial instruments calculated using the ECL methodology and provisions calculated using the IRACP norms as of March 31, 2022:

Particulars	As of March 31, 2022
	(₹ in millions)
Total loss allowances (provisions) as required under Ind AS 109 **(A)**	3,603.50
Provisions required as per IRACP norms[1] **(B)**	1,203.61
Difference between total loss allowances (provisions) as required under Ind AS 109 and provisions required as per IRACP norms (**(A)** – **(B)**)	2,399.89

Note:

(1) The amount of the securitisation is off-balance sheet under IRACP norms and on-balance sheet under Ind AS for the purpose of computing provisions.

Operational Metrics

The following table sets forth the key performance metrics of our Company as of the dates indicated:

Particulars	As of March 31,		
	2022	2021	2020
	(₹ in millions, except otherwise indicated)		
Gross disbursements[1]	61,797.77	37,102.95	35,740.43
Disbursement growth[2]	66.56%	3.81%	26.72%
Collections	42,270.23	27,848.55	30,164.22
Collection efficiency[3]	92.32%	96.38%	98.36%
Outstanding value of securitized, assigned and managed loans[4]	5,859.80	1,263.87	2,270.16
Cities where we operate *(numbers)*	368	326	285

Particulars	As of March 31,		
	2022	2021	2020
	(₹ in millions, except otherwise indicated)		
States and union territories where we operate *(numbers)*	18	18	18
Districts where we operate *(numbers)*	368	326	285
Branches *(numbers)*	934	725	595
Average branches per district *(numbers)*	2.5	2.2	2.1
Gross AUM per branch	72.65	63.97	60.61
Disbursements per branch	66.16	51.18	60.07
Active borrowers per branch *(numbers)*	2,986	2,965	3,186
Total borrowers *(numbers in millions)*	2.72	2.12	1.87
Active borrowers[5] *(numbers in millions)*	2.72	2.12	1.87
Active loan accounts[6] *(numbers in millions)*	2.79	2.15	1.90
Repeat loan accounts[7] *(numbers in millions)*	1.25	1.08	0.72
Proportion of repeat loan accounts	44.81%	50.32%	38.09%
Unique loan accounts[8] *(numbers in millions)*	1.54	1.07	1.17
Proportion of unique loan accounts	55.19%	49.68%	61.91%
Borrowers whose first formal loan is from the Company *(numbers in millions)*	0.60	0.36	0.31
Proportion of borrowers whose first formal loan is from the Company	21.63%	16.65%	16.48%
Gross AUM per active borrowers *(₹)*	24,917	21,857	19,269
Gross AUM per active loan account *(₹)*	24,329	21,578	19,026
Average portfolio loan amount outstanding per active borrowers *(₹)*	20,973	19,427	16,691
Disbursements in the year per active loan account *(₹)*	22,156	17,263	18,855
Disbursement turnaround time *(days)*	5	6	8
Employees *(numbers)*	8,704	6,351	5,563
Gross AUM per employee	7.80	7.30	6.48
Disbursements in the year per employee	7.10	5.84	6.42
Loan officers *(numbers)*	5,840	4,133	3,593
Gross AUM per loan officer *(₹ in millions)*	11.62	11.22	10.04
Disbursements in the year per loan officer	10.58	8.98	9.95
Active borrowers per loan officer *(numbers)*	466	513	521

Figures disclosed in the above table are not measures of financial position, financial performance or cash flows defined by generally accepted accounting principles, and may not be comparable to similarly-titled measures presented by other companies.

Notes:

(1) Gross disbursements represent the aggregate of all loan amounts extended to all our customers for the relevant year.

(2) Disbursement growth represents growth in disbursements for the relevant year as a percentage of disbursements for the previous year.

(3) Collection efficiency represents the ratio of our collections (including overdue collections) to billings for the relevant year.

(4) Outstanding value of securitized, assigned and managed loans represents the value of principal outstanding on loan portfolio as of the last day of the relevant year.

(5) Active borrowers refers to our borrowers which had an active loan account as of the last day of the relevant year.

(6) Active loan accounts represents the aggregate number of all loan assets under management which includes loan assets held by our Company as of the last day of the relevant year as well as loan assets which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant year.

(7) Repeat borrowers represents the number of borrowers who have taken one or more additional loans from us after taking their initial loan.

(8) Unique borrowers refers to borrowers who are in the first loan cycle with us.

The following table sets forth information regarding the outstanding amounts of our Company's loans for the months indicated:

Particulars	For the month of											
	March 2022			February 2022			January 2022			December 2021		
	Total Active Loans	Total Principal Outstanding	% of Total AUM	Total Active Loans	Total Principal Outstanding	% of Total AUM	Total Active Loans	Total Principal Outstanding	% of Total AUM	Total Active Loans	Total Principal Outstanding	% of Total AUM
		(₹ in millions)	*(%)*		*(₹ in millions)*	*(%)*		*(₹ in millions)*	*(%)*		*(₹ in millions)*	*(%)*
Total before April 1, 2021	1,096,867	14,911.15	21.97%	1,234,793	18,125.74	27.44%	1,311,298	20,100.52	31.97%	1,383,988	22,199.88	37.07%
Total on and after April 1, 2021	1,687,322	51,557.35	75.98%	1,504,770	46,762.23	70.79%	1,325,956	41,740.43	66.40%	1,153,854	36,793.09	61.44%

Particulars	For the month of March 2022			February 2022			January 2022			December 2021		
	Total Active Loans	Total Principal Outstanding	% of Total AUM	Total Active Loans	Total Principal Outstanding	% of Total AUM	Total Active Loans	Total Principal Outstanding	% of Total AUM	Total Active Loans	Total Principal Outstanding	% of Total AUM
		(₹ in millions)	*(%)*		*(₹ in millions)*	*(%)*		*(₹ in millions)*	*(%)*		*(₹ in millions)*	*(%)*
Grand total	**2,784,189**	**66,468.49**	**97.95%**	**2,739,563**	**64,887.97**	**98.22%**	**2,637,254**	**61,840.94**	**98.37%**	**2,537,842**	**58,992.97**	**98.52%**
MSME	5,016	1,391.22	2.05%	4,310	1,173.43	1.78%	3,806	1,023.14	1.63%	3,357	889.21	1.48%
Total on-book portfolio	**2,789,205**	**67,859.71**	**100.00%**	**2,743,873**	**66,061.40**	**100.00%**	**2,641,060**	**62,864.09**	**100.00%**	**2,541,199**	**59,882.18**	**100.00%**

Gross AUM in Various States and Union Territories

The following table sets forth our Gross AUM in various states and union territories of India as of the dates indicated:

	State	As of March 31, 2022		2021		2020	
		Gross AUM	% of Gross AUM	Gross AUM	% of Gross AUM	Gross AUM	% of Gross AUM
		(₹ in millions, except percentages)					
1.	Bihar	12,656.96	18.65%	8,464.57	18.25%	6,827.12	18.93%
2.	Uttar Pradesh	12,296.10	18.12%	7,853.84	16.93%	6,029.31	16.72%
3.	Odisha	7,869.12	11.60%	6,259.02	13.50%	4,937.33	13.69%
4.	Madhya Pradesh	6,319.69	9.31%	4,381.36	9.45%	3,686.18	10.22%
5.	Tamil Nadu	5,201.43	7.66%	2,969.17	6.40%	1,833.44	5.08%
6.	Punjab	4,644.01	6.84%	3,619.33	7.80%	3,059.82	8.48%
7.	Rajasthan	4,590.39	6.76%	2,603.27	5.61%	1,543.17	4.28%
8.	Haryana	3,868.03	5.70%	3,126.31	6.74%	2,733.13	7.58%
9.	Jharkhand	3,192.41	4.70%	2,135.31	4.60%	1,610.84	4.47%
10.	Uttarakhand	1,821.24	2.68%	1,342.74	2.90%	1,090.30	3.02%
11.	Gujarat	1,539.49	2.27%	839.43	1.81%	527.61	1.46%
12.	Chhattisgarh	1,313.82	1.94%	813.50	1.75%	591.15	1.64%
13.	West Bengal	1,059.38	1.56%	830.22	1.79%	714.16	1.98%
14.	Delhi	481.78	0.71%	223.07	0.48%	61.36	0.17%
15.	Maharashtra	435.52	0.64%	286.08	0.62%	238.81	0.66%
16.	Himachal Pradesh	256.40	0.38%	147.61	0.32%	107.70	0.30%
17.	Puducherry	178.35	0.26%	100.75	0.22%	77.41	0.21%
18.	Assam	135.60	0.20%	382.81	0.83%	396.41	1.10%
	Total	**67,859.71**	**100.00%**	**46,378.39**	**100.00%**	**36,065.24**	**100.00%**
Three largest states by gross AUM(1) (%)		**32,822.18**	**48.37%**	**22,577.43**	**48.68%**	**17,793.76**	**49.34%**
Five largest states by gross AUM(2) (%)		**44,343.29**	**65.35%**	**30,578.12**	**65.93%**	**24,539.77**	**68.04%**

Notes:

(1) Our three largest states in terms of gross AUM are Bihar, Uttar Pradesh and Odisha.

(2) Our five largest states in terms of gross AUM are Bihar, Uttar Pradesh, Odisha, Madhya Pradesh and Tamil Nadu.

Geographical Spread of Gross AUM by Region Type

The following table sets forth the breakdown of our gross AUM by urban and rural regions as of the dates indicated:

Particulars	As of March 31, 2022		2021		2020	
	Gross AUM	% of Gross AUM	Gross AUM	% of Gross AUM	Gross AUM	% of Gross AUM
	(₹ in millions, except percentages)					
Urban(1)	5,846.79	8.62%	3,590.69	7.74%	2,801.47	7.77%
Rural(2)	62,012.91	91.38%	42,787.70	92.26%	33,263.77	92.23%
Total	**67,859.71**	**100.00%**	**46,378.39**	**100.00%**	**36,065.25**	**100.00%**

Notes:

(1) Urban represents the regions in India that are located in towns and cities.
(2) Rural represents the regions in India that are located outside towns and cities.

Number of Branches in Various States and Union Territories

The following table sets forth the number of branches in various states and union territories of India as of the dates indicated:

	State	As of March 31,					
		2022		2021		2020	
		Branches	% of Total Branches	Branches	% of Total Branches	Branches	% of Total Branches
		(numbers, except percentages)					
1.	Bihar	131	14.03%	103	14.21%	80	13.45%
2.	Uttar Pradesh	174	18.63%	95	13.10%	80	13.45%
3.	Odisha	91	9.74%	84	11.59%	84	14.12%
4.	Madhya Pradesh	95	10.17%	89	12.28%	78	13.11%
5.	Tamil Nadu	83	8.89%	63	8.69%	45	7.56%
6.	Punjab	43	4.60%	34	4.69%	31	5.21%
7.	Rajasthan	92	9.85%	64	8.83%	37	6.22%
8.	Haryana	42	4.50%	36	4.97%	30	5.04%
9.	Jharkhand	41	4.39%	35	4.83%	28	4.71%
10.	Uttarakhand	19	2.03%	16	2.21%	14	2.35%
11.	Gujarat	34	3.64%	25	3.45%	16	2.69%
12.	Chhattisgarh	30	3.21%	28	3.86%	22	3.70%
13.	West Bengal	15	1.61%	15	2.07%	15	2.52%
14.	Delhi	7	0.75%	5	0.69%	4	0.67%
15.	Maharashtra	7	0.75%	7	0.97%	7	1.18%
16.	Himachal Pradesh	7	0.75%	4	0.55%	2	0.34%
17.	Puducherry	3	0.32%	2	0.28%	1	0.17%
18.	Assam	20	2.14%	20	2.76%	21	3.53%
	Total	**934**	**100.00%**	**725**	**100.00%**	**595**	**100.00%**

Financial and Operational Metrics of Branches in Three Largest States and Union Territories

The following table shows the financial and operational metrics of our branches in the three largest states and union territories by percentage of our Gross AUM, Bihar, Uttar Pradesh and Odisha, as of March 31, 2022:

Particulars	As of March 31, 2022		
	Bihar	Uttar Pradesh	Odisha
	(₹ in millions, except otherwise indicated)		
Gross AUM attributable to branches in the relevant state(1)	12,656.96	12,296.10	7,869.12
Gross disbursements attributable to branches in the relevant state(2)	11,510.61	11,486.14	7,056.28
Collections(3)	8,197.48	7,622.09	5,334.00
Collection efficiency(4)	96.15%	95.61%	90.83%
Active borrowers(5) *(numbers in millions)*	0.52	0.48	0.34
Employees(6) *(numbers)*	1,234	1,660	928
Loan officers(7) *(numbers)*	863	1,156	665
Branches(8) *(numbers)*	131	174	91
Districts(9) *(numbers)*	35	64	30
Total income per branch(10)	15.06	10.37	13.75
Gross NPAs / Loans to customers outstanding(11)	2.64%	2.63%	6.37%
Net NPAs / Loans to customers outstanding(12)	–	–	–
Yield(13)	20.68%	18.91%	19.10%

Notes:

(1) Gross AUM attributable to the branches in the relevant state represents the aggregate of principal outstanding for all loans to customers and assets pertaining to securitization, assignment of receivables and business correspondent portfolio for such branches as of the last

day of the relevant year.

(2) Gross disbursements attributable to the branches in the relevant state represent the aggregate of all loan amounts extended to all customers of the branches in the relevant state for the relevant year.

(3) Collections represent all of our collections (including overdue collections) attributable to the branches in the relevant state for the relevant year.

(4) Collection efficiency represents the ratio of our collections (including overdue collections) to billings for the branches in the relevant state for the relevant year.

(5) Active borrowers represents the total number of active borrowers attributable to the branches in the relevant state as of the last day of the relevant year.

(6) Employees represents the total number of our employees attributable to the branches in the relevant state as of the last day of the relevant year.

(7) Loan officers represents the total number of our loan officers attributable to the branches in the relevant state as of the last day of the relevant year.

(8) Branches represents the total number of branches in the relevant state as of the last day of the relevant year.

(9) Districts represents the number of districts in which we are operating in the relevant state as of the last day of the relevant year.

(10) Total income per branch represents the simple average of our total income attributable to the branches in the relevant state for the relevant year.

(11) Gross NPAs / Loans to customer outstanding represents gross NPAs (attributable to the branches in the relevant state) as of the last day of the relevant year as a percentage of gross AUM attributable to the branches in the relevant state for the relevant year.

(12) Net NPAs / Loans to customers outstanding represents net NPAs (attributable to the branches in the relevant state) as of the last day of the relevant year as a percentage of gross AUM attributable to the branches in the relevant state for the relevant year.

(13) Yield represents the interest income derived on loans (attributable to the branches in the relevant state) as a percentage of the value of the average outstanding owned portfolio (attributable to the branches in the relevant state).

Restructured Book

The RBI issued a directive, DOR.STR.REC.12/21.04.048/2021-22, dated May 5, 2021, with the objective of alleviating potential stress to individual borrowers and small businesses impacted due to resurgence of COVID-19 and permitted resolution plans for existing loans as per norms. As of March 31, 2022, considering the resolution plans our restructured portfolio stood at ₹1,109.92 million, representing 1.64% of our total AUM. All restructuring has been done based on this RBI guideline in the second and third quarters of the financial year 2022.

Financial and Operational Metrics of Mature Branches

We had 375 branches that were open as of April 1, 2018 (net of closures, if any) (**"mature branches at the start of the financial year 2019"**). The following table sets out the financial and operational metrics of these 375 mature branches at the start of financial year 2019, as of the dates indicated:

Particulars	As of March 31,		
	2022	**2021**	**2020**
	(₹ in millions, except otherwise indicated)		
Gross AUM(1)	37,224.98	31,070.78	27,021.43
Gross AUM growth	19.81%	14.99%	18.38%
Gross disbursements(2)	33,195.90	24,164.10	26,450.77
Disbursements growth	37.38%	(8.65)%	10.08%
Collections(3)	26,651.43	20,305.71	24,954.61
Collections efficiency(4)	92.02%	96.65%	98.31%
Active borrowers *(numbers in millions)*	1.52	1.42	1.39
Average Gross AUM per customer (loan ticket size) *(₹)*	24,555.97	21,824.38	19,376.30
Employees *(numbers)*	4,257	3,782	3,755
Loan officers *(numbers)*	2,960	2,495	2,475
Gross AUM per branch	99.27	82.86	72.06
Disbursements per branch	88.52	64.44	70.54
Collections per branch	71.07	54.15	66.55
Total income per branch	17.30	15.81	14.02
Active borrowers per branch *(numbers)*	4,042	3,796	3,719
Average number of branches per district *(numbers)*	1.84	1.84	1.87
Gross AUM per loan officer	12.58	12.45	10.92
Disbursement per loan officer	11.21	9.69	10.69
Collections per loan officer	9.00	8.14	10.08
Total income per loan officer	2.08	2.26	2.11
Active borrowers per loan officer *(numbers)*	512	571	563
Repeat borrowers *(numbers)*	878,151	875,990	664,367

Particulars	As of March 31,		
	2022	2021	2020
	(₹ in millions, except otherwise indicated)		
Gross NPAs / Loans to customers outstanding(5)	5.54%	2.81%	1.00%
Net NPAs / Loans to customers outstanding(6)	–	–	–

Notes:

(1) Gross AUM attributable to mature branches at the start of the financial year 2019 represents the aggregate of principal outstanding for all loans to customers and assets pertaining to securitization, assignment of receivables and business correspondent portfolio for mature branches as of the last day of the relevant year.

(2) Gross disbursements represent the aggregate of all loan amounts extended to all customers of mature branches for the relevant year.

(3) Collections represent all of our collections (including overdue collections) attributable to mature branches for the relevant year.

(4) Collection efficiency represents the ratio of our collections (including overdue collections) for our mature branches to billings for the relevant year.

(5) Gross NPAs / Loans to customer outstanding represents Gross NPAs (attributable to mature branches) as of the last day of the relevant year as a percentage of gross AUM attributable to mature branches for the relevant year.

(6) Net NPAs / Loans to customers outstanding represents Net NPAs (attributable to mature branches) as of the last day of the relevant year as a percentage of gross AUM attributable to mature branches for the relevant year.

We had 504 branches that were open as of April 1, 2019 (net of closures, if any) (**"mature branches at the start of the financial year 2020"**). The following table sets out the financial and operational metrics of these 504 mature branches at the start of the financial year 2020, as of the dates indicated:

Particulars	As of March 31,		
	2022	2021	2020
	(₹ in millions, except otherwise indicated)		
Gross AUM(1)	49,003.63	39,155.42	34,390.29
Gross AUM growth	25.15%	13.86%	30.20%
Gross disbursements(2)	43,605.20	26,612.94	34,130.34
Disbursements growth(2)	63.85%	(22.03)%	21.01%
Collections(3)	34,575.89	26,010.70	29,883.97
Collection efficiency(4)	91.46%	96.23%	98.35%
Active borrowers *(numbers in millions)*	2.02	1.88	1.80
Average outstanding loan amount per customer (loan ticket size) *(₹)*	24,281	20,837	19,114
Employees *(numbers)*	5,459	4,830	4,828
Loan officers *(numbers)*	3,835	3,254	3,265
Gross AUM per branch	97.42	77.84	68.37
Disbursements per branch	86.69	52.91	67.85
Collections per branch	68.74	51.71	59.41
Total income per branch	15.98	14.83	12.77
Active borrowers per branch *(numbers)*	4,012	3,736	3,577
Average number of branches per district *(numbers)*	1.98	1.98	1.98
Gross AUM per loan officer	12.78	12.03	10.53
Disbursement per loan officer	11.37	8.18	10.45
Collections per loan officer	9.02	7.99	9.15
Total income per loan officer	2.10	2.21	1.97
Active borrowers per loan officer *(numbers)*	526	577	551
Repeat borrowers *(numbers)*	1,112.381	1,050,496	713,197
Gross NPAs / Loans to customers outstanding(5)	5.80%	3.20%	1.03%
Net NPAs / Loans to customers outstanding(6)	–	–	–

Notes:

(1) Gross AUM attributable to mature branches at the start of the financial year 2020 represents the aggregate of principal outstanding for all loans to customers and assets pertaining to securitization, assignment of receivables and business correspondent portfolio for such branches as of the last day of the relevant year.

(2) Gross disbursements represent the aggregate of all loan amounts extended to all customers of recently opened branches for the relevant year.

(3) Collections represent all of our collections (including overdue collections) attributable to recently opened branches for the relevant year.

(4) Collection efficiency represents the ratio of our collections (including overdue collections) for our recently opened branches to billings for the relevant year.

(5) Gross NPAs / Loans to customer outstanding represents Gross NPAs (attributable to recently opened branches) as of the last day of the relevant year as a percentage of gross AUM for the relevant year.

(6) Net NPAs / Loans to customers outstanding represents Net NPAs (attributable to recently opened branches) as of the last day of the

relevant year as a percentage of gross AUM for the relevant year.

We had 591 branches that were open as of April 1, 2020 (net of closures, if any) (**"mature branches at the start of the financial year 2021"**). The following table sets out the financial and operational metrics of these 591 mature branches at the start of the financial year 2021, as of the dates indicated:

Particulars	**As of March 31,**	
	2022	**2021**
	(₹ in millions, except otherwise indicated)	
Gross AUM[(1)]	54,895.44	44,097.02
Gross AUM growth	24.49%	22.29%
Gross disbursements[(2)]	49,131.18	34,884.35
Disbursements growth[(2)]	40.84%	(2.36)%
Collections[(3)]	38,363.55	27,645.83
Collection efficiency[(4)]	91.73%	96.35%
Active borrowers *(numbers in millions)*	2.27	2.05
Average outstanding loan amount per customer (loan ticket size) *(₹)*	24,235	21,518
Employees *(numbers)*	6,147	5,411
Loan officers *(numbers)*	4,364	3,701
Gross AUM per branch	92.89	74.61
Disbursements per branch	83.13	59.03
Collections per branch	64.91	46.78
Total income per branch	15.17	13.05
Active borrowers per branch *(numbers)*	3,833	3,468
Average number of branches per district *(numbers)*	2.09	2.09
Gross AUM per loan officer	12.58	11.91
Disbursement per loan officer	11.26	9.43
Collections per loan officer	8.79	7.47
Total income per loan officer	1.84	1.95
Active borrowers per loan officer *(numbers)*	519	554
Repeat borrowers *(numbers)*	1,244,696	1,080,325
Gross NPAs / Loans to customers outstanding[(5)]	5.54%	2.92%
Net NPAs / Loans to customers outstanding[(6)]	–	–

Notes:

(1) Gross AUM attributable to mature branches at the start of the financial year 2021 represents the aggregate of principal outstanding for all loans to customers and assets pertaining to securitization, assignment of receivables and business correspondent portfolio for such branches as of the last day of the relevant year.

(2) Gross disbursements represent the aggregate of all loan amounts extended to all customers of recently opened branches for the relevant year.

(3) Collections represent all of our collections (including overdue collections) attributable to recently opened branches for the relevant year.

(4) Collection efficiency represents the ratio of our collections (including overdue collections) for our recently opened branches to billings for the relevant year.

(5) Gross NPAs / Loans to customer outstanding represents Gross NPAs (attributable to recently opened branches) as of the last day of the relevant year as a percentage of gross AUM for the relevant year.

(6) Net NPAs / Loans to customers outstanding represents Net NPAs (attributable to recently opened branches) as of the last day of the relevant year as a percentage of gross AUM for the relevant year.

Geographical Spread of Branches by Region Type

The following table sets forth the breakdown of our number of branches by urban and rural regions as of the dates indicated:

Particulars	**As of March 31,**					
	2022		**2021**		**2020**	
	Branches	**% of Branches**	**Branches**	**% of Branches**	**Branches**	**% of Branches**
	(numbers, except percentages)					
Urban[(1)]	263	28.16%	223	30.76%	185	31.09%
Rural[(2)]	671	71.84%	502	69.24%	410	68.91%
Total	**934**	**100.00%**	**725**	**100.00%**	**595**	**100.00%**

Notes:

(1) Urban represents the regions in India that are located in towns and cities.
(2) Rural represents the regions in India that are located outside towns and cities.

Geographical Spread of Active Borrowers

The following table sets forth the number of our active borrowers in the various states and union territories of India as of the dates indicated:

	State	As of March 31,					
		2022		2021		2020	
		Active Borrowers	% of Total Borrowers	Active Borrowers	% of Total Borrowers	Active Borrowers	% of Total Borrowers
		(numbers, except percentages)					
1.	Bihar......................................	517,001	18.98%	385,520	18.17%	365,192	19.51%
2.	Uttar Pradesh..........................	471,765	17.32%	347,622	16.38%	304,373	16.26%
3.	Odisha....................................	328,038	12.04%	294,039	13.86%	273,579	14.62%
4.	Madhya Pradesh	253,972	9.33%	212,019	9.99%	209,170	11.18%
5.	Tamil Nadu.............................	214,953	7.89%	137,556	6.48%	80,478	4.30%
6.	Punjab....................................	186,798	6.86%	158,998	7.49%	135,482	7.24%
7.	Rajasthan	180,540	6.63%	115,614	5.45%	80,023	4.28%
8.	Haryana	147,221	5,41%	136,205	6.42%	122,860	6.56%
9.	Jharkhand	138,594	5.09%	100,746	4.75%	92,328	4.93%
10.	Uttarakhand	67,854	2.49%	56,374	2.66%	49,323	2.64%
11.	Gujarat...................................	65,143	2.39%	40,317	1.90%	28,366	1.52%
12.	Chhattisgarh...........................	53,139	1.95%	39,021	1.84%	31,974	1.71%
13.	West Bengal	49,417	1.81%	43,222	2.04%	42,336	2.26%
14.	Delhi......................................	3,359	0.12%	2,470	0.12%	2,029	0.11%
15.	Maharashtra	17,574	0.65%	14,457	0.68%	14,032	0.75%
16.	Himachal Pradesh..................	10,157	0.37%	6,408	0.30%	4,465	0.24%
17.	Puducherry	7,334	0.27%	5,129	0.24%	4,123	0.22%
18.	Assam....................................	10,590	0.39%	26,156	1.23%	31,508	1.68%
	Total......................................	**2,723,449**	**100.00%**	**2,121,873**	**100.00%**	**1,871,641**	**100.00%**

Geographical Spread of Loan Accounts

The following table sets forth the number of loan accounts in the various states and union territories and union territories of India as of the dates indicated:

	State	As of March 31,					
		2022		2021		2020	
		Loan Accounts	% of Loan Accounts	Loan Accounts	% of Loan Accounts	Loan Accounts	% of Loan Accounts
		(numbers, except percentages)					
1.	Bihar	519,462	18.62%	388,990	18.10%	368,292	19.43%
2.	Uttar Pradesh	479,868	17.20%	350,251	16.30%	307,199	16.21%
3.	Odisha..............................	338,800	12.15%	297,700	13.86%	275,006	14.51%
4.	Madhya Pradesh................	259,552	9.31%	217,868	9.99%	217,455	11.47%
5.	Tamil Nadu.......................	236,279	8.47%	143,265	6.48%	83,525	4.41%
6.	Punjab..............................	190,205	6.82%	160,348	7.49%	136,266	7.19%
7.	Rajasthan	182,485	6.54%	115,924	5.45%	80,318	4.24%
8.	Haryana............................	150,624	5.40%	136,292	6.42%	122,823	6.48%
9.	Jharkhand.........................	139,792	5.01%	101,510	4.75%	92,488	4.88%
10.	Uttarakhand......................	69,619	2.50%	56,671	2.66%	49,885	2.63%
11.	Gujarat	65,971	2.37%	40,503	1.90%	28,625	1.51%
12.	Chhattisgarh......................	56,463	2.02%	40,966	1.84%	33,975	1.79%
13.	West Bengal......................	50,212	1.80%	43,675	2.04%	42,444	2.24%
14.	Delhi	3,755	0.13%	2,704	0.12%	2,462	0.13%
15.	Maharashtra	17,687	0.63%	14,672	0.68%	14,397	0.76%
16.	Himachal Pradesh	10,245	0.37%	6,531	0.30%	4,624	0.24%
17.	Puducherry........................	7,632	0.27%	5,355	0.24%	4,330	0.23%
18.	Assam	10,554	0.38%	26,104	1.23%	31,449	1.66%
	Total................................	**2,789,205**	**100.00%**	**2,149,329**	**100.00%**	**1,895,563**	**100.00%**

Exposure of Districts

The following table sets forth the breakdown of the districts we operate in based on their contribution to our gross AUM, as of the dates indicated:

Contribution of Gross AUM	As of March 31,					
	2022		2021		2020	
	Districts	% of Total Districts	Districts	% of Total Districts	Districts	% of Total Districts
	(numbers, except percentages)					
0.0% – 0.5%	315	85.60%	263	80.67%	223	78.25%
0.5% – 1.0%	46	12.50%	49	15.03%	51	17.89%
1.0% – 3.0%	7	1.90%	14	4.29%	11	3.86%
Total	**368**	**100.00%**	**326**	**100.00%**	**285**	**100.00%**

Breakdown of Loans Outstanding by Economic Activity of Customers

The following table sets forth the details of our Company's total outstanding loan portfolio classified according to our customers' principal economic activity, as of March 31, 2022:

Loan Type	Number of Loans Outstanding	AUM	Percentage of Total AUM
		(₹ in millions)	*(%)*
Income-generating loans:			
Agriculture-allied and agriculture	2,094,210	51,675.67	76.15%
Manufacturing and production	296,011	7178.11	10.58%
Trade and retail	152,342	3,332.53	4.91%
Services	151,041	3,351.13	4.94%
Others	21,163	510.51	0.75%
Top-up loans	51,601	297.12	0.44%
Cross-sell loans	17,821	123.41	0.18%
Subtotal for income-generating loans	**2,784,189**	**66,468.49**	**97.95%**
MSME loans	**5,016**	**1,391.22**	**2.05%**
Total	**2,789,205**	**67,859.71**	**100.00%**

Collection Efficiency and Disbursements

Collection efficiency represents the ratio of our collections (including overdue collections) for the period/year to billings for the period/year.

The following table sets forth a breakdown of our collection efficiency and disbursements for the months indicated:

Months	Collection Efficiency[1]	Disbursements
	(%)	*(₹ in millions)*
April 2021	92.04%	3,044.48
May 2021	84.31%	1,022.47
June 2021	88.81%	3,547.66
July 2021	93.63%	5,146.19
August 2021	93.02%	5,151.87
September 2021	93.65%	5,805.94
October 2021	94.01%	5,953.53
November 2021	91.51%	5,612.04
December 2021	92.87%	6,347.27
January 2022	93.49%	6,435.47
February 2022	94.48%	6,688.22
March 2022	94.35%	7,042.66

Notes:

(1) Collection efficiency represents the ratio of our collections (including overdue collections but excluding prepayments) to billings, for the relevant month.

The following table sets forth details of our collection efficiency in the various states and union territories of India for the years indicated:

	State	For the Financial Year Ended March 31,		
		2022	**2021**	**2020**
1.	Bihar	96.15%	98.36%	99.54%
2.	Uttar Pradesh	95.61%	97.09%	98.18%
3.	Odisha	90.83%	95.23%	98.36%
4.	Madhya Pradesh	89.76%	95.80%	96.85%
5.	Tamil Nadu	90.69%	95.94%	99.83%
6.	Punjab	88.24%	95.53%	99.15%
7.	Rajasthan	92.75%	98.01%	99.01%
8.	Haryana	88.24%	97.25%	97.97%
9.	Jharkhand	90.59%	95.98%	97.57%
10.	Uttarakhand	95.51%	98.11%	98.50%
11.	Gujarat	93.76%	97.95%	99.68%
12.	Chhattisgarh	88.05%	95.05%	98.26%
13.	West Bengal	91.28%	97.4%	98.94%
14.	Delhi	99.80%	100.70%	99.74%
15.	Maharashtra	91.43%	95.06%	98.04%
16.	Himachal Pradesh	97.53%	99.26%	99.52%
17.	Puducherry	89.40%	95.05%	99.71%
18.	Assam	62.56%	63.49%	88.16%
	Total	**92.32%**	**96.38%**	**98.36%**

The following table sets forth details of our collection efficiency in the various states and union territories of India for the months indicated during the financial year 2022:

	State	Apr-2021	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022	Mar-2022
1.	Bihar	96.70%	91.50%	94.38%	97.49%	96.65%	96.87%	96.44%	94.70%	96.25%	96.65%	97.69%	97.54%
2.	Uttar Pradesh	95.08%	89.33%	94.21%	97.27%	95.96%	96.42%	96.75%	94.46%	95.86%	96.49%	97.20%	97.07%
3.	Odisha	92.39%	86.30%	87.45%	91.39%	90.79%	90.78%	91.47%	90.19%	90.84%	92.33%	92.76%	92.56%
4.	Madhya Pradesh	86.68%	73.27%	87.03%	93.63%	92.07%	92.10%	93.57%	89.42%	90.77%	91.66%	92.50%	92.86%
5.	Tamil Nadu	94.22%	73.03%	73.02%	94.74%	96.06%	94.55%	94.25%	90.04%	92.02%	92.04%	93.80%	94.28%
6.	Punjab	86.29%	83.90%	84.51%	86.04%	85.08%	89.60%	91.02%	88.64%	89.64%	90.18%	91.34%	91.18%
7.	Rajasthan	91.90%	84.47%	92.19%	95.27%	94.34%	93.97%	94.27%	91.09%	92.68%	93.50%	94.02%	93.77%
8.	Haryana	91.05%	81.39%	87.25%	90.22%	88.24%	90.64%	90.69%	86.57%	88.25%	87.53%	89.32%	87.89%
9.	Jharkhand	91.01%	83.32%	86.95%	90.88%	90.90%	91.78%	91.36%	89.10%	91.15%	91.98%	93.14%	93.13%
10.	Uttarakhand	95.62%	86.47%	93.76%	98.03%	96.50%	97.13%	96.74%	94.73%	96.20%	96.49%	96.80%	96.68%
11.	Gujarat	93.46%	91.89%	93.48%	94.89%	94.34%	94.61%	94.81%	93.04%	93.08%	93.89%	93.96%	93.72%
12.	Chhattisgarh	75.97%	66.10%	87.95%	92.25%	91.05%	91.48%	91.95%	88.62%	89.97%	91.69%	92.87%	92.76%
13.	West Bengal	93.96%	87.07%	85.85%	92.27%	92.51%	91.13%	90.86%	90.04%	91.24%	91.85%	93.74%	94.12%
14.	Delhi	98.78%	97.99%	101.45%	100.06%	99.91%	99.78%	99.77%	100.06%	100.02%	99.93%	99.96%	99.83%
15.	Maharashtra	87.45%	83.42%	89.29%	92.66%	92.37%	91.48%	93.88%	91.35%	91.95%	93.33%	94.43%	94.04%
16.	Himachal Pradesh	98.21%	96.08%	97.91%	97.73%	97.47%	98.03%	97.92%	96.68%	97.49%	97.72%	97.40%	97.65%
17.	Puducherry	93.56%	78.00%	77.19%	90.77%	94.73%	90.76%	92.83%	87.38%	89.76%	89.60%	92.76%	92.66%
18.	Assam	55.95%	45.39%	39.54%	46.25%	64.62%	69.57%	77.18%	81.98%	80.80%	76.70%	84.41%	79.84%

The table below sets forth details of our collection efficiency for our portfolio in the months indicated during the financial year 2022, categorised as (i) disbursed before March 31, 2021 and (ii) disbursed between April 1, 2021 and March 31, 2022:

Month	Remarks	Current and Overdue Collection Efficiency	Total Collection Efficiency
	Disbursed before March 31, 2021	92.03%	98.28%
April 2021	Disbursed between April 1, 2021 and March 31, 2022	98.93%	101.66%
	Total	**92.04%**	**98.28%**
	Disbursed before March 31, 2021	83.92%	86.35%
May 2021	Disbursed between April 1, 2021 and March 31, 2022	98.07%	98.44%
	Total	**84.31%**	**86.68%**
June 2021	Disbursed before March 31, 2021	88.18%	97.97%

Month	Remarks	Current and Overdue Collection Efficiency	Total Collection Efficiency
	Disbursed between April 1, 2021 and March 31, 2022	98.91%	99.37%
	Total	**88.81%**	**98.05%**
	Disbursed before March 31, 2021	93.03%	107.61%
July 2021	Disbursed between April 1, 2021 and March 31, 2022	99.58%	100.41%
	Total	**93.63%**	**106.95%**
	Disbursed before March 31, 2021	91.79%	103.15%
August 2021	Disbursed between April 1, 2021 and March 31, 2022	99.51%	100.24%
	Total	**93.02%**	**102.68%**
	Disbursed before March 31, 2021	91.91%	105.00%
September 2021	Disbursed between April 1, 2021 and March 31, 2022	99.33%	100.10%
	Total	**93.65%**	**103.86%**
	Disbursed before March 31, 2021	91.77%	107.34%
October 2021	Disbursed between April 1, 2021 and March 31, 2022	99.22%	99.98%
	Total	**94.01%**	**105.13%**
	Disbursed before March 31, 2021	87.40%	103.52%
November 2021	Disbursed between April 1, 2021 and March 31, 2022	98.92%	99.61%
	Total	**91.51%**	**102.13%**
	Disbursed before March 31, 2021	88.41%	106.44%
December 2021	Disbursed between April 1, 2021 and March 31, 2022	99.21%	100.40%
	Total	**92.87%**	**103.95%**
	Disbursed before March 31, 2021	88.38%	111.46%
January 2022	Disbursed between April 1, 2021 and March 31, 2022	99.16%	100.44%
	Total	**93.49%**	**106.24%**
	Disbursed before March 31, 2021	89.16%	115.25%
February 2022	Disbursed between April 1, 2021 and March 31, 2022	99.29%	100.85%
	Total	**94.48%**	**107.69%**
	Disbursed before March 31, 2021	87.68%	116.08%
March 2022	Disbursed between April 1, 2021 and March 31, 2022	99.22%	100.94%
	Total	**94.35%**	**107.33%**
	Disbursed before March 31, 2021	**89.54%**	**103.68%**
Financial Year 2022	**Disbursed between April 1, 2021 and March 31, 2022**	**99.20%**	**100.42%**
	Total demand and collection	**92.32%**	**102.75%**

Capital Adequacy Ratio

All MFIs are required to maintain a capital adequacy ratio consisting of Tier I and Tier II capital which shall not be less than 15% of aggregate risk weighted assets on-balance sheet. The total of Tier II Capital at any point of time, shall not exceed 100% of Tier I capital.

The following table sets forth our Company's capital risk to asset ratios as of the dates indicated:

Particulars	**As of March 31,**		
	2022	**2021**	**2020**
	(₹ in millions, except percentages)		
Tier I capital[1]	12,369.53	11,546.80	11,612.99
Tier II capital[2]	1,244.24	788.49	960.69
Total capital	**13,613.76**	**12,335.29**	**12,573.68**
Total risk-weighted assets[3]	**62,049.39**	**45,245.31**	**35,106.14**
CRAR – Tier I[4]	19.93%	25.52%	33.08%
CRAR – Tier II[5]	2.01%	1.74%	2.74%
CRAR[6]	**21.94%**	**27.26%**	**35.82%**

Notes:

(1) Tier I capital means owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances, including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund.

(2) Tier II capital includes preference share capital, revaluation reserves, general provisions and loss reserves, hybrid debt capital instruments and subordinate debts to the extent the aggregate does not exceed Tier I capital.

(3) Total risk-weighted assets represents the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI.

(4) CRAR – Tier I represents our total Tier I capital divided by our total risk-weighted assets, calculated in accordance with RBI guidelines.

(5) CRAR – Tier II represents our total Tier II capital divided by our total risk-weighted assets, calculated in accordance with RBI guidelines.

(6) CRAR is calculated as total capital funds (Tier I capital plus Tier II capital) divided by our total risk-weighted assets.

INDUSTRY OVERVIEW

*The information in this section is derived from the report "Industry Report on Microfinance" dated May 2022 (the "**CRISIL Report**") prepared by CRISIL Research ("**CRISIL**"), a division of CRISIL Limited. We commissioned and paid for the CRISIL Report for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged CRISIL Research, a division of CRISIL Limited, in connection with the preparation of the CRISIL Report on March 13, 2021. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner. Further, the CRISIL Report was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends and opinions in the CRISIL Report may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Prospective investors are advised not to unduly rely on the CRISIL Report.*

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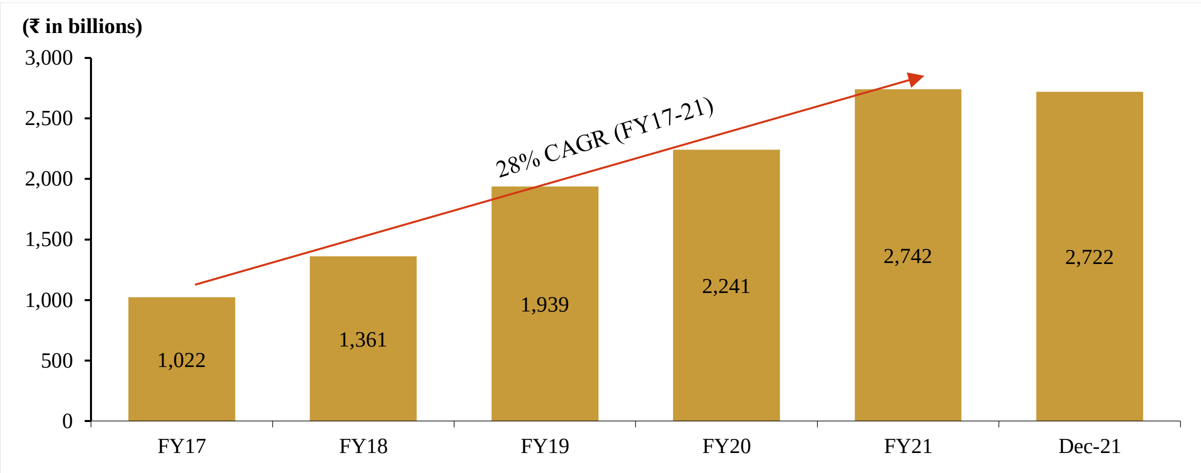
Microfinance

The microfinance industry's GLP surged at 28% CAGR from the financial year 2017 to the financial year 2021

The microfinance industry's gross loan portfolio ("**GLP**") increased at a CAGR of 28% from the financial year 2017 to reach ₹2.7 trillion in the financial year 2021. Further, it has expanded by 11% on-year in the nine months ended December 31, 2021 as compared to the nine months ended December 31, 2020. The growth rate for NBFC-MFIs is the highest as compared to other industry player groups during the financial years 2017 to 2020.

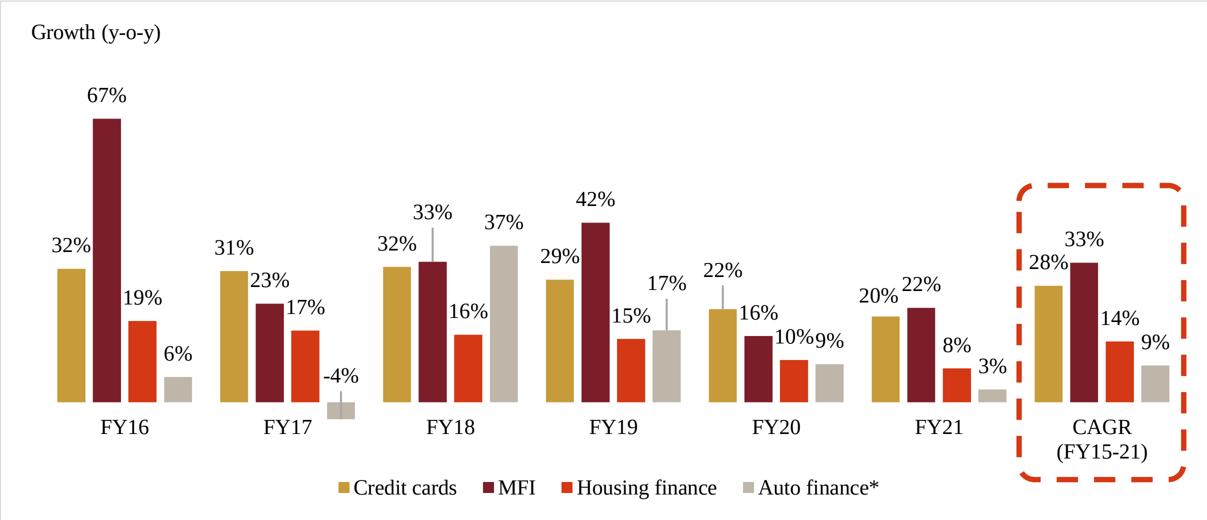
<u>The microfinance industry's GLP clocked a 28% CAGR between the financial years 2017 and 2021</u>



Note: the data above includes data for banks lending through joint liability groups ("JLGs"), SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs. It excludes data for banks lending through SHG. The amounts stated are as of the end of the relevant period/year.

Source: Equifax, the Company's reports, industry research and CRISIL Research

The microfinance industry is growing at a faster pace compared to other retail loan segments during the financial years 2015 to 2021



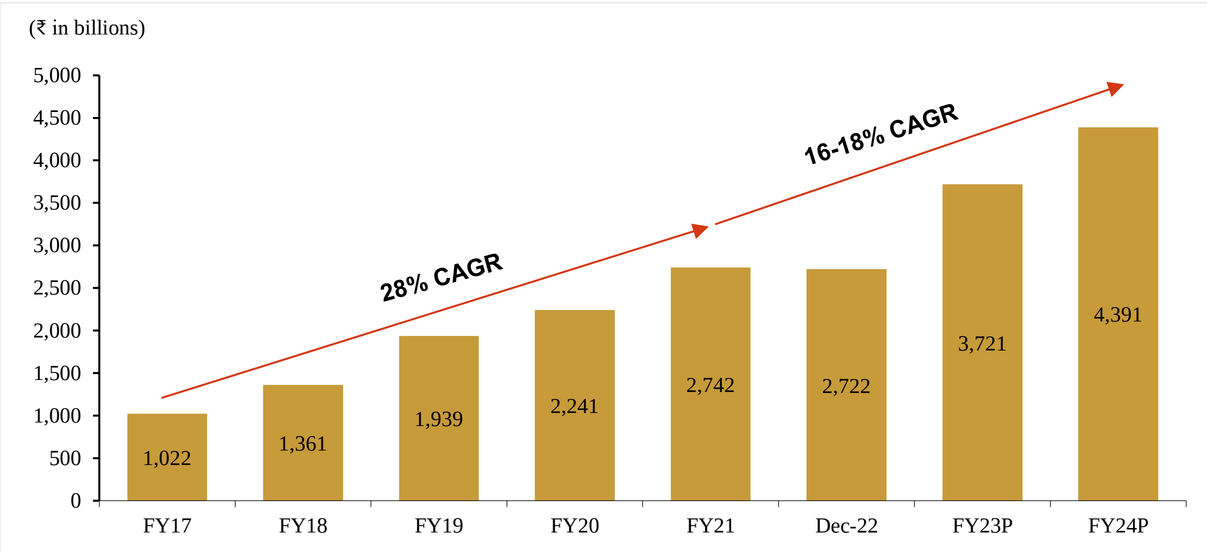
** Calculated based on annual loan disbursement of passenger vehicle and two-wheeler segment*

Note: the data above includes data for banks lending through JLGs, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs. It excludes data for banks lending through SHG. The amounts stated are as of the end of the relevant period/year.

Source: the Company's reports, RBI, SIAM, Equifax, CRISIL Research

Rising penetration to support the continued growth of the microfinance industry

The microfinance industry's GLP is projected to grow at a CAGR of 16-18% during the financial years 2021 and 2024



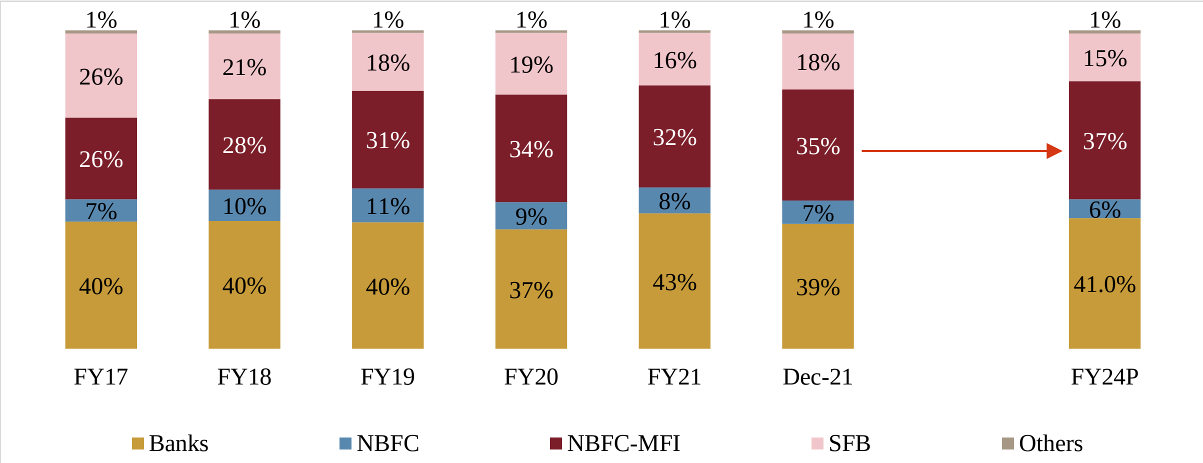
Note: the data above includes data for banks lending through JLGs, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs. It excludes data for banks lending through SHG. The amounts stated are as of the end of the relevant period/year.

Note: E – Estimated, P – Projected

Source: Equifax, the Company's reports, Industry and CRISIL Research

CRISIL Research expects the MFI loan portfolio to clock a CAGR of 16-18% between the financial years 2021 and 2024. This growth will be driven by the continuous expansion of the client base of MFIs and increased penetration in rural areas. The market share of NBFC-MFIs has increased to 35% as of December 2021, from 31% as of March 2019. CRISIL Research expects NBFC-MFIs to grow at a much faster rate *vis-a-vis* the MFI industry, on account of NBFC-MFIs' increasing presence in newer states as well as in rural areas, expanding their client base and gradually increasing their ticket size. The market share of NBFC-MFIs is expected to increase to 37% by the financial year 2024.

NBFC-MFIs to gain market share in terms of GLP



Note: the data above includes data for banks lending through JLGs, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs. It excludes data for banks lending through SHG. The amounts stated are as of the end of the relevant period/year. The amounts stated are as of the end of the relevant period/year.

Note: E – Estimated, P – Projected

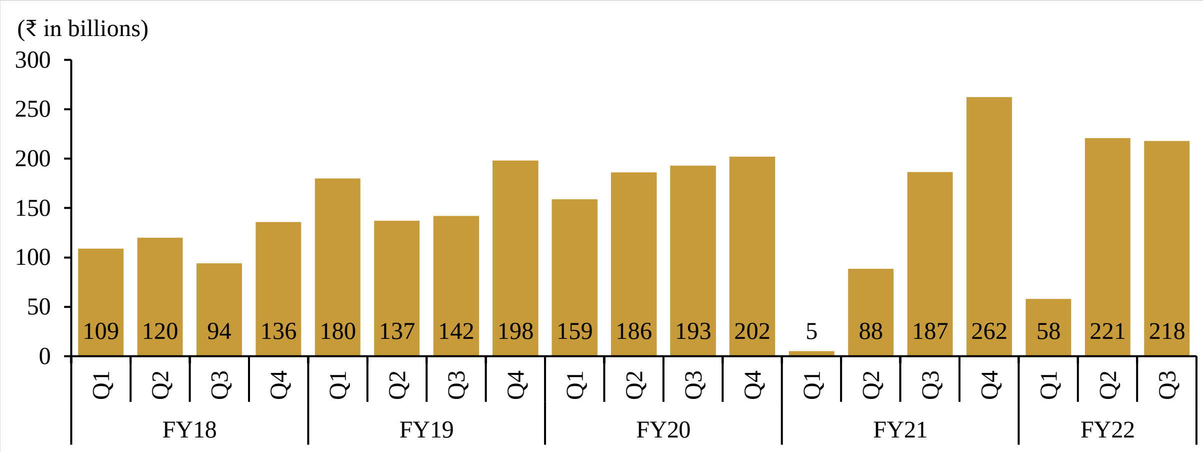
Source: Equifax, the Company's reports, industry research and CRISIL Research

Disbursements have reached pre-COVID levels

MFI loan disbursements dropped significantly in the first quarter of financial year 2021, on account of negligible collections due to the moratorium granted to customers post-COVID and industry players' focus on preserving liquidity. However, as borrowers were made aware about the impact of moratorium and as lockdowns were eased, collections started to pick up, providing comfort to lenders in respect of the sector. Disbursements started to increase towards the second half of the second quarter of the financial year 2021, and by the third quarter of the financial year 2021, disbursements had returned to pre-COVID levels. Disbursements grew 30% on-year in the fourth quarter of the financial year 2021.

The growth in disbursements was halted by the second wave of COVID-19, and it dropped by approximately 78% in the first quarter of the financial year 2022 as compared to the previous quarter. However, with the swift recovery of the Indian economy from July 2021 onwards, collections have started to improve and disbursements have increased by 150% and 17% on-year in the second and third quarters of the financial year 2022, respectively.

Disbursements dropped in the first quarter of financial year 2022, but returned to pre-COVID levels immediately in the second quarter of financial year 2022



Note: NBFC-MFI data
Source: MFIN, CRISIL Research

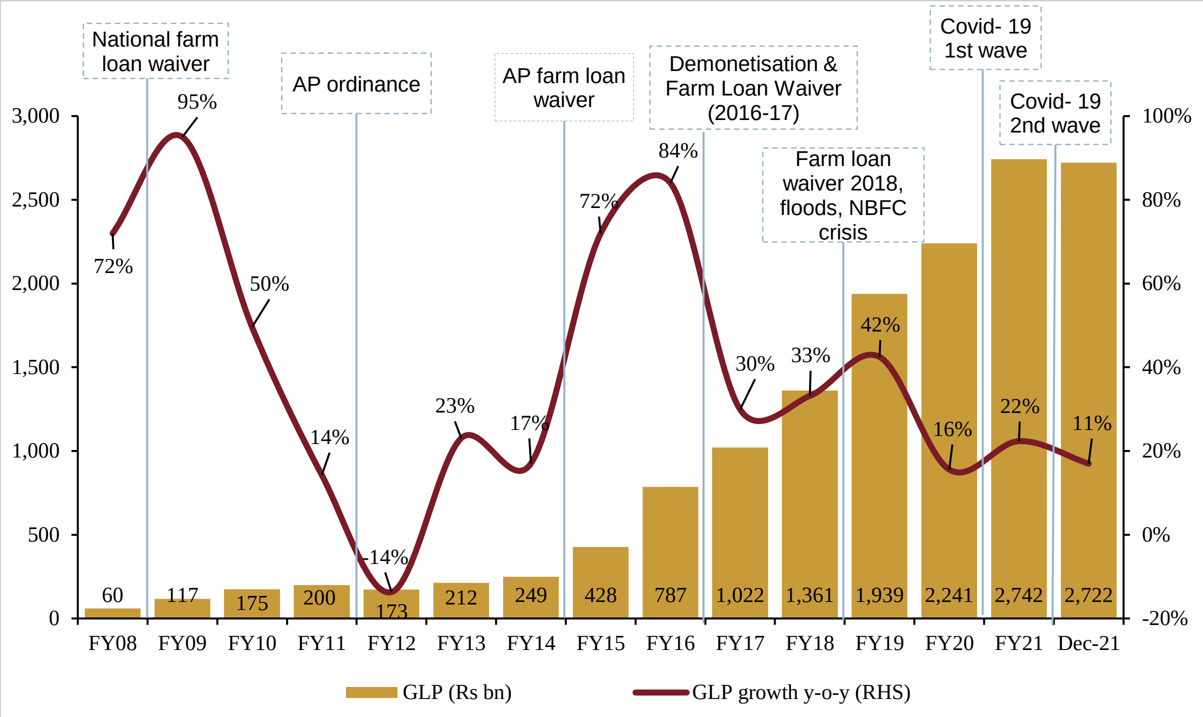
The microfinance industry remains resilient despite major setbacks and changing landscape

The microfinance industry's GLP has increased almost 16 times in the last 11 years, or has grown at a robust 28% CAGR over the financial years 2010 to 2021, despite various headwinds in the past decade, such as the national farm loan waivers (in 2008, 2017 and 2018), the Andhra Pradesh crisis (in 2010), the Andhra Pradesh farm loan waiver (in 2014), demonetisation (in 2016), the NBFC liquidity crisis (in the financial year 2019) and the COVID-19 pandemic (in the financial year 2021). Of these events, the Andhra Pradesh crisis of 2010 had a lasting impact on the microfinance industry.

While demonetisation of ₹500 and ₹1,000 denomination banknotes in November 2016 had hurt the microfinance industry, the impact was not as serious as the Andhra Pradesh crisis, as the microfinance industry still reported strong growth of 36% in the financial year 2017. The liquidity crisis in 2018, however, has had a ripple effect on microfinance lending, as smaller NBFC-MFIs with capital constraints and lenders that rely on NBFCs for funding slowed down disbursements.

Liquidity has been one of the biggest challenges faced by financial institutions in India over the last few years. NBFC-MFIs, in particular, have been adversely affected by the demonetization of banknotes in 2016, the Infrastructure Leasing & Financial Services Limited crisis in mid-September 2018 and, more recently, the ongoing global COVID-19 pandemic, which adversely affected access to funding for various NBFCs.

The MFI industry has shown resilience over the past decade

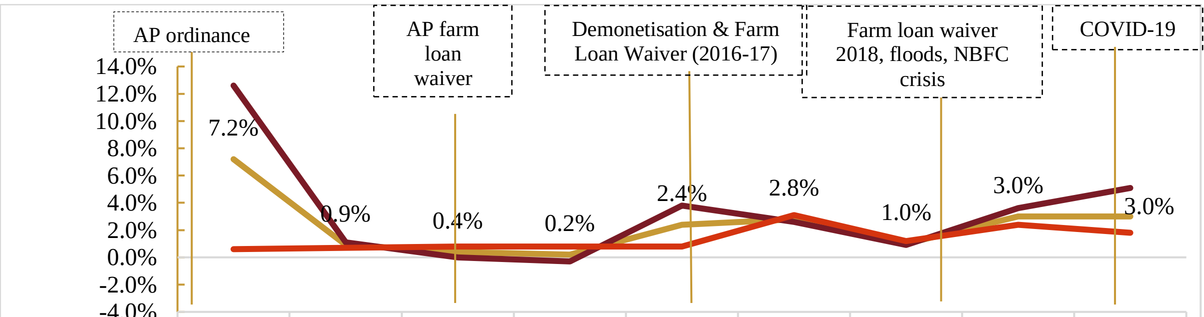


Note: the data above includes data for banks lending through JLGs, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs. It excludes data for banks lending through SHG. The amounts stated are as of the end of the relevant period/year. The amounts stated are as of the end of the relevant period/year.

Source: MFIN (for financial years 2008 to 2016), Equifax (for financial year 2017 to the nine months ended December 31, 2021), CRISIL Research

The microfinance industry's GLP grew at 28% CAGR over the financial years 2017-21 despite various setbacks. The demand for microfinance products and services has increased due to improving awareness and reach, leading to increased volumes as well as a rise in inflation and higher numbers of borrowers in higher loan cycles driving higher ticket sizes.

Credit costs for microfinance industry across various events



	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Overall	7.2%	0.9%	0.4%	0.2%	2.4%	2.8%	1.0%	3.0%	3.00%
MFIs	12.6%	1.1%	0.0%	-0.3%	3.8%	2.6%	0.9%	3.6%	5.10%
SFBs	0.6%	0.7%	0.8%	0.8%	0.8%	3.1%	1.2%	2.4%	1.80%

Note: the data above includes data for 12 MFIs (including NBFC-MFIs) and seven SFBs, which in aggregate constitute 60% of the microfinance industry. Jana SFB has been excluded from analysis above.

Note: E – Estimated

Source: the Company's reports, CRISIL Research

The new regulatory regime for microfinance loans levels the playing field and benefits NBFC-MFIs

The RBI, in its master directions on microfinance loans released in March 2022, has removed the interest rate cap applicable on loans extended by NBFC-MFIs. Entities providing microfinance loans will have to put in place a board-approved policy for the pricing of loans. The policy should include the interest rate model, range of spread of each component for categories of borrowers and a ceiling on the interest rate and all other charges on microfinance loans.

The RBI's move levels the playing field, with both NBFC-MFIs and banks or SFBs providing microfinance loans now being subject to the same rules, which was not the case under the previous regime. This move is expected to positively impact NBFC-MFIs.

The increase in the annual household income cap for microfinance borrowers (to ₹300,000 in both urban and rural areas), removal of the two-lender norm for lending by NBFC-MFIs and allowing NBFC-MFIs greater flexibility to offer non-MFI loans (MFI loans are required to account for at least 75% of total assets of NBFC-MFIs under the new regulations) would increase the market opportunity available to MFIs and enable them to create a more balanced portfolio.

Conversely, the increase in annual household income threshold could increase the maximum permissible indebtedness limit of borrowers from the previous level of ₹125,000. While the limit on the loan repayment obligation would act as a safeguard against excessive leveraging, the increased permissible debt limit and possibility of divergences in household income assessment criteria across lenders still pose risks. Proper data infrastructure would be required to analyse and estimate household incomes, especially in rural areas.

Subsequent to RBI's revised regulations for MFI loans, effective April 1, 2022, some MFIs have increased interest rates for borrowers, especially for those who are credit-untested.

CRISIL Research expects the rates to slowly settle down as MFIs begin to adapt to the new regime and put in place processes for household income, leverage and risk capture, given the new guidelines. Competitive forces would prevent a substantial spurt in rates for MFI customers, especially for those with a good repayment track record and credit behaviour.

<table>
<tr><th rowspan="2">Area of regulation</th><th colspan="2">Existing regulations</th><th>Revised regulations (effective from April 1, 2022)</th></tr>
<tr><th>For NBFC-MFIs</th><th>For Banks and SFBs</th><th>For all Regulated Entities*</th></tr>
<tr><td>Loan pricing</td><td>Margin cap at 10% for large MFIs (loan portfolios > ₹1 billion);
12% for small MFIs (loan portfolios < ₹1 billion)</td><td rowspan="2">No restrictions for Banks and SFBs</td><td rowspan="2">No pricing cap. Underwriting of loans to be done on a risk-based analysis, and a risk premium to be charged based on the borrower.

Board-approved policy for pricing of loans to be put in place. The policy should include the interest rate model, range of spread of each component for categories of borrowers and ceiling on the interest rate and all other charges on MFI loans.</td></tr>
<tr><td>Processing fees</td><td>Not more than 1% of gross loan amount</td></tr>
<tr><td>Qualifying criteria</td><td>85% loans unsecured</td><td>Have to meet the target set for priority sector loans</td><td>The minimum requirement of microfinance loans for NBFC-MFIs has been revised to 75% of an NBFC-MFI's total assets.

The maximum limit on microfinance loans for NBFCs other than NBFC-MFIs has been revised to 25% of the total assets from 10% previously.</td></tr>
<tr><td>Household income</td><td>Rural areas: ₹125,000 per annum</td><td>No restrictions for Banks and SFBs</td><td><u>Annual household income</u>: Up to ₹ 300,000 in urban as well as rural areas (This amount is</td></tr>
</table>

<table>
<tr><th rowspan="2">Area of regulation</th><th colspan="2">Existing regulations</th><th>Revised regulations (effective from April 1, 2022)</th></tr>
<tr><th>For NBFC-MFIs</th><th>For Banks and SFBs</th><th>For all Regulated Entities*</th></tr>
<tr><td></td><td>Urban areas: ₹200,000 per annum</td><td rowspan="3"></td><td rowspan="3">higher than what was stated in the consultation paper issued in June 2021 – up to ₹ 125,000 for rural areas and ₹ 200,000 for urban and semi-urban areas)

Board-approved policy for assessment of household income</td></tr>
<tr><td>Ticket size of loans</td><td>₹75,000 in the first cycle and ₹125,000 in the subsequent cycles</td></tr>
<tr><td>Tenure of loans</td><td>Not to be less than 24 months for loan amount in excess of Rs. 30,000</td></tr>
<tr><td>Lending to the same borrower</td><td>Not more than 2 lenders allowed per borrower</td><td>More than 2 banks can lend to same borrower</td><td rowspan="2"><u>Limit on maximum loan repayment obligation of a household towards all loans</u>: 50% of monthly household income</td></tr>
<tr><td>Overall borrower indebtedness</td><td>Should not exceed ₹125,000</td><td>No restrictions for banks and SFBs</td></tr>
</table>

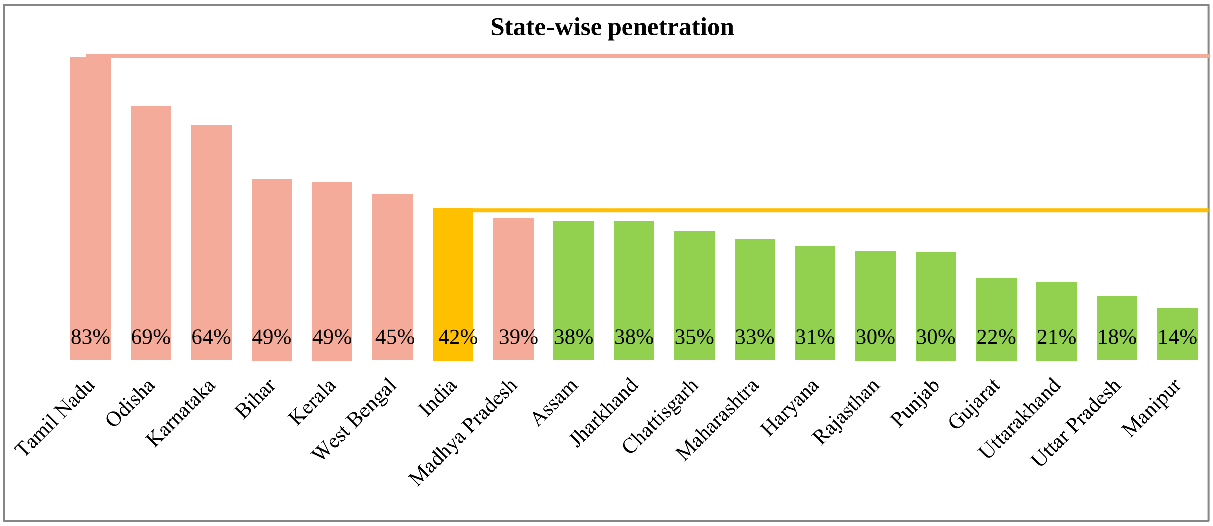
Note: regulated entities include all Commercial Banks (including Small Finance Banks, Local Area Banks, and Regional Rural Banks), excluding Payments Banks; all Primary (Urban) Co-operative Banks, State Co-operative Banks and District Central Co-operative Banks; and all NBFCs (including MFIs and Housing Finance Companies)

Source: RBI, CRISIL Research

The revised regulation is likely to level the playing field, with the same set of rules for all industry player categories, including banks and SFBs. The key positives for NBFC-MFIs include:

- Increased market opportunity and retention of more existing customers, resulting from the increase in annual household income threshold for lending by NBFC-MFIs.
- The EMI cap with no lender limit is likely to help in mitigating the risk of client over-indebtedness and realizing full borrowing capacity of the borrower while capping risk, as incremental or small ticket size loans can also be provided to existing MFI borrowers. It will also bring in much-needed balance across the sector and help improve overall portfolio quality serviceability.
- Greater flexibility in terms of pricing due to the removal of the interest rate cap. Removal of pricing caps is especially positive as it is expected to build operating buffers, resulting in lower credit costs. Further, NBFC-MFIs can now adopt risk-based pricing for different categories of customers based on customer vintages and track records.
- Reduction in the minimum requirement of microfinance loans as a percentage of total loans to qualify as an NBFC-MFI from 85% to 75% allows NBFC-MFIs to target higher-quality borrowers, develop diversified portfolios and build capabilities in other loan products, which can reduce the cyclicality and volatility in their balance sheet.

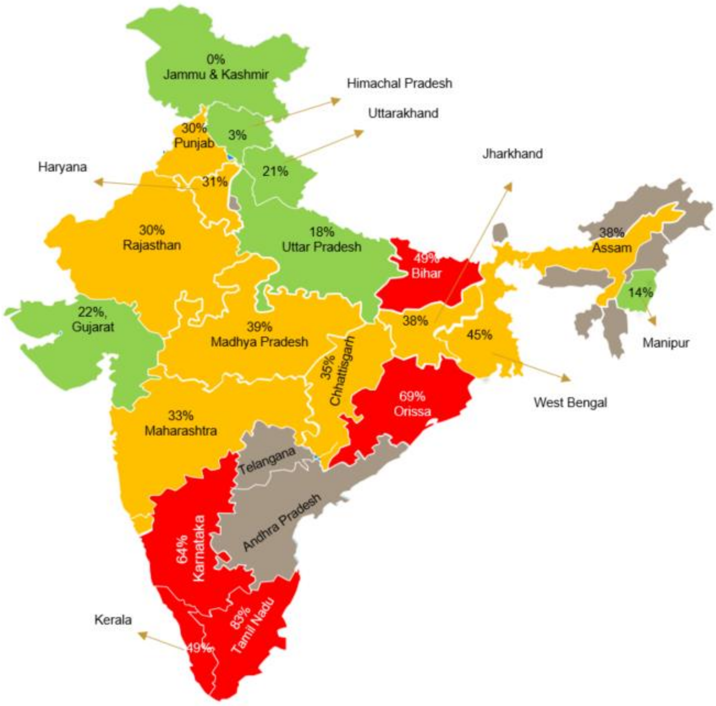
Uttar Pradesh, Uttarakhand, Manipur, Gujarat, Maharashtra. Punjab and Rajasthan have large potential for growth and customer expansion



Note: state-wise penetration has been computed by dividing the total number of loans by the estimated number of households in the state as of December 31, 2021.

Source: Equifax, CRISIL Research

Underpenetrated states to drive growth for MFIs in the coming years



Source: Equifax, CRISIL Research

Note:

(1) Penetration has been computed by dividing the number of loans by the estimated number of households in December 2021.

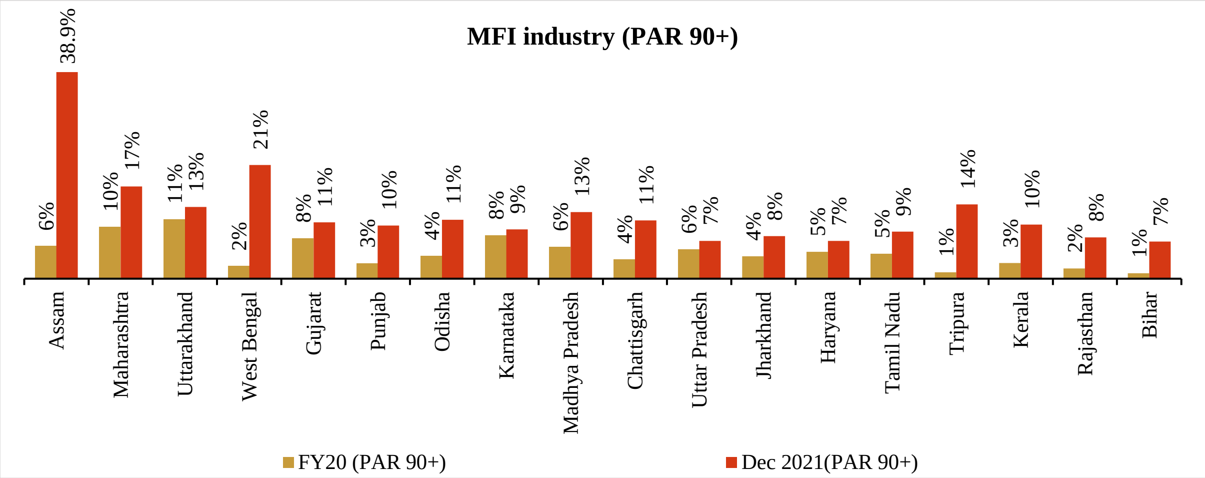
(2) Pan-India penetration has been determined based on the analysis of 20 states.

(3) the data above includes data for banks lending through JLGs, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs. It excludes data for banks lending through SHG. The amounts stated are as of the end of the relevant period/year.

Asset quality

Asset quality has weakened across states in December 2021

<u>State-wise asset quality of top states (PAR 90+ for pre-COVID and current)</u>



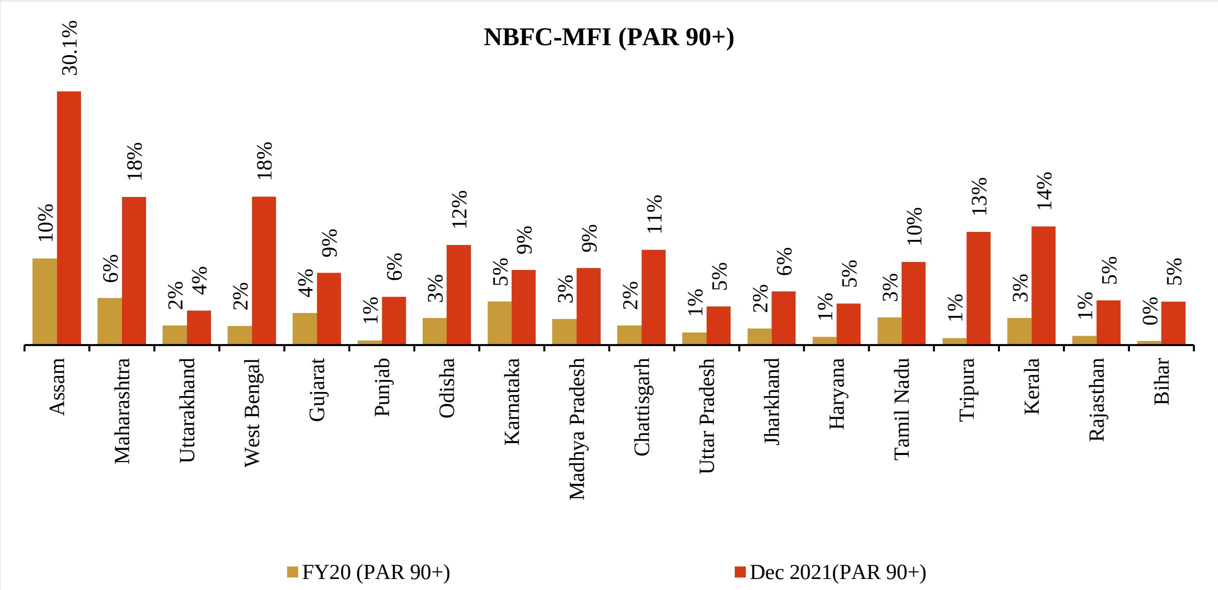
Note:

(1) The data above includes data for banks lending through JLGs, SFBs, NBFC-MFIs, other NBFCs and non-profit MFIs. It excludes data for banks lending through SHG. The amounts stated are as of the end of the relevant period/year.

(2) PAR 90+ includes delinquency beyond 180 days.

Source: Equifax, CRISIL Research

<u>State-wise asset quality of top states (PAR 90+ for pre-COVID and current)</u>



Note:

(1) The data above reflects the state-wise asset quality of NBFC-MFIs. The amounts stated are as of the end of the relevant period/year.

(2) PAR 90+ includes delinquency beyond 180 days.

Source: Equifax, CRISIL Research

Fusion Microfinance's GLP ranking has improved to fifth place as of December 31, 2021, as compared to ninth place as of March 31, 2021

Rank	Top 10 NBFC-MFIs	As of March 31, 2021 GLP (₹ in billions)
1	CreditAccess Grameen Ltd.	113.41
2	Spandana Sphoorty Financial Ltd.	81.39
3	Satin Creditcare Network Ltd.	72.75
4	Asirvad Microfinance Ltd.	59.85
5	Muthoot Microfin Ltd.	49.77
6	Annapurna Finance Pvt. Ltd.	48.04
7	Samasta Microfinance Ltd.	47.96
8	Arohan Financial Service Ltd.	46.48
9	**Fusion Microfinance Pvt. Ltd.**	**46.38**
10	Svatantra Microfin Pvt. Ltd.	35.64

Rank	Top 10 NBFC-MFIs	As of December 31, 2021 GLP (₹ in billions)
1	CreditAccess Grameen Ltd.	121.80
2	Asirvad Microfinance Ltd.	70.90
3	Spandana Sphoorty Financial Ltd.	62.78
4	Satin Creditcare Network Ltd.	61.23
5	**Fusion Microfinance Pvt. Ltd.**	**59.88**
6	Annapurna Finance Pvt. Ltd.	55.38
7	Muthoot Microfin Ltd.	55.19
8	Samasta Microfinance Ltd.	52.50
9	Arohan Financial Service Ltd.	44.18*
10	Svatantra Microfin Pvt. Ltd.	44.92

** Such GLP data is as of June 30, 2021.*

Source: MFIN, the Company's reports, CRISIL Research

OTHER MATERIAL UPDATES

- Pankaj Vaish (DIN: 00367424) has been appointed as an Independent Director on our Board and has been made a member of the reconstituted Audit Committee and Corporate Social Responsibility Committee, with effect from September 22, 2021. Following is his brief profile:

  Pankaj Vaish, aged 60, is an Independent Director of our Company. He holds a bachelor of technology degree in mechanical engineering from Indian Institute of Technology – Banaras Hindu University (IIT - BHU), Varanasi and had also pursued a master of business administration (MBA) from the University of Minnesota, U.S.A. He was awarded the "Banaras Hindu University Medal" for standing first at the bachelor of technology fifth year examinations in mechanical engineering, and the 'Distinguished Alumni Award of Excellence' by the Association of IIT-BHU Alumni, New Delhi for the year 2011-12. He has over 35 years of work experience. He was associated with Accenture Services Private Limited for over 28 years in various roles, including as the managing director for Accenture's Delivery Center Network for BPO, and as the Asia Pacific operating unit lead for communications, media and technology (CMT) business. He was also associated with SEWA Trade Facilitation Centre as a senior advisor. He is currently working as a professor of practice of management at the Amrut Mody School of Management, Ahmedabad University, and is an advisor to INSORCE Operational Optimizers Private Ltd., and Unlax Consumer Solutions Private Limited. In the past, he has served on the boards of Lakshmi Vilas Bank and Aptus Value Housing Finance India Limited and is currently on the board of directors of IIFL Wealth Management Limited, Krishna Institute of Medical Sciences Limited and Indium Software (India) Limited.

- Shobinder Duggal (DIN: 00039580), has stepped down as an Independent Director from our Board, with effect from September 22, 2021.

- There have been certain updates in relation to certain business and operations related metrics of our Company. The same have been included below:

  (i) Our long-term credit ratings have improved from a rating of "BBB+" by CARE as of March 31, 2017 to a rating of "A-" by CRISIL, CARE and ICRA as of March 31, 2022.

  (ii) As of March 31, 2022, we had a diversified mix of 57 lenders, comprising a range of private banks (40.2%), public banks (13.4%), foreign banks (15.1%), development financial institutions (13.4%), NBFC (9.1%) and foreign portfolio investors ("**FPIs**") (8.8%) (excluding direct assignment).

  (iii) We have been able to raise ₹ 131 billion in debt as well as ₹8,789 million in equity over the last four financial years, despite volatility across the financial services industry during this period.

  (iv) We have received the ISO 27001:2013 information security management system compliant rating in April 2022.

  (v) Our customer retention rate has increased from 43%, for the Financial Year 2017 to 70%, for the Financial Year 2022, respectively.

  (vi) All of our customers were onboarded digitally in Financial Year 2022 and our share of cashless disbursements in total disbursements was 94.38% in financial year 2022, while our average turnaround time for loan approvals decreased from approximately 11.7 days for the financial year 2017 to 5.16 days for the financial year 2022.

  (vii) Our IT allocation was 0.3% of our AUM, for the Financial Year 2022.

  (viii) Our liquidity coverage ratio has increased from 394.85%, as of March 31, 2021 to 399.59%, as of March 31, 2022.

  (ix) Our proportion of AUM in our 50 largest districts in terms of AUM has decreased from 65.7% as of March 31, 2017 to 38.0% as of March 31, 2022.

  (x) Our proportion of AUM in our 5 largest states in terms of AUM has decreased from 82.4% as of March 31, 2017 to 65.4% as of March 31, 2022.

(xi) Between March 31, 2017 and March 31, 2022, our number of active borrowers grew at a CAGR of 30.0%.

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. I further certify that all statements in this Addendum are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Devesh Sachdev
Managing Director and CEO

Place:

Date:

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. I further certify that all statements in this Addendum are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

Ratna Dharashree Vishwanathan
Independent Director

Place:

Date:

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. I further certify that all statements in this Addendum are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Namrata Kaul
Independent Director

Place:

Date:

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. I further certify that all statements in this Addendum are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

____

Narendra Ostawal
Nominee Director

Place:

Date:

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. I further certify that all statements in this Addendum are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

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Kenneth Dan Vander Weele
Nominee Director

Place:

Date:

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. I further certify that all statements in this Addendum are true and correct.

SIGNED BY DIRECTOR OF OUR COMPANY

____

Pankaj Vaish
Independent Director

Place:

Date:

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. I further certify that all statements in this Addendum are true and correct.

SIGNED BY CHIEF FINANCIAL OFFICER OF OUR COMPANY

____

Gaurav Maheshwari

Place:

Date:

DECLARATION BY DEVESH SACHDEV, AS THE SELLING SHAREHOLDER

I, Devesh Sachdev, confirm that all statements and undertakings made or confirmed by me in this Addendum specifically in relation to myself, as the Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I, Devesh Sachdev, assume no responsibility for any other statement, disclosures and undertakings, including any statements made or confirmed by, or relating to, the Company or any other Selling Shareholder or any other person(s) in this Addendum.

Devesh Sachdev

Place:

Date:

DECLARATION BY MINI SACHDEV, AS THE SELLING SHAREHOLDER

I, Mini Sachdev, confirm that all statements and undertakings made or confirmed by me in this Addendum specifically in relation to myself, as the Selling Shareholder, and the Equity Shares which are being offered by me by way of the Offer for Sale pursuant to the Offer, are true and correct. I, Mini Sachdev, assume no responsibility for any other statement, disclosures and undertakings, including any statements made or confirmed by, or relating to, the Company or any other Selling Shareholder or any other person(s) in this Addendum.

____

Mini Sachdev

Place:

Date:

DECLARATION BY HONEY ROSE INVESTMENT LTD, AS THE SELLING SHAREHOLDER

Honey Rose Investment Ltd confirms that all statements and undertakings made or confirmed by it in this Addendum specifically in relation to itself, as the Selling Shareholder, and the Equity Shares which are being offered by it by way of the Offer for Sale pursuant to the Offer, are true and correct. Honey Rose Investment Ltd assumes no responsibility for any other statement, disclosures and undertakings, including any statements made or confirmed by, or relating to, the Company or any other Selling Shareholder or any other person(s) in this Addendum.

SIGNED FOR AND ON BEHALF OF HONEY ROSE INVESTMENT LTD

Name:

Designation:

Date:

Place:

DECLARATION BY CREATION INVESTMENTS FUSION, LLC, AS THE SELLING SHAREHOLDER

Creation Investments Fusion, LLC confirms that all statements and undertakings made or confirmed by it in this Addendum specifically in relation to itself, as the Selling Shareholder, and the Equity Shares which are being offered by it by way of the Offer for Sale pursuant to the Offer, are true and correct. Creation Investments Fusion, LLC assumes no responsibility for any other statement, disclosures and undertakings, including any statements made or confirmed by, or relating to, the Company or any other Selling Shareholder or any other person(s) in this Addendum.

SIGNED FOR AND ON BEHALF OF CREATION INVESTMENTS FUSION, LLC

Name:

Designation:

Date:

Place:

DECLARATION BY OIKOCREDIT, ECUMENICAL DEVELOPMENT CO-OPERATIVE SOCIETY U.A., AS THE SELLING SHAREHOLDER

Oikocredit, Ecumenical Development Co-Operative Society U.A. confirms that all statements and undertakings made or confirmed by it in this Addendum specifically in relation to itself, as the Selling Shareholder, and the Equity Shares which are being offered by it by way of the Offer for Sale pursuant to the Offer, are true and correct. Oikocredit, Ecumenical Development Co-Operative Society U.A. assumes no responsibility for any other statement, disclosures and undertakings, including any statements made or confirmed by, or relating to, the Company or any other Selling Shareholder or any other person(s) in this Addendum.

SIGNED FOR AND ON BEHALF OF OIKOCREDIT, ECUMENICAL DEVELOPMENT CO-OPERATIVE SOCIETY U.A.

Name:

Designation:

Date:

Place:

DECLARATION BY GLOBAL FINANCIAL INCLUSION FUND, AS THE SELLING SHAREHOLDER

Global Financial Inclusion Fund confirms that all statements and undertakings made or confirmed by it in this Addendum specifically in relation to itself, as the Selling Shareholder, and the Equity Shares which are being offered by it by way of the Offer for Sale pursuant to the Offer, are true and correct. Global Financial Inclusion Fund assumes no responsibility for any other statement, disclosures and undertakings, including any statements made or confirmed by, or relating to, the Company or any other Selling Shareholder or any other person(s) in this Addendum.

SIGNED FOR AND ON BEHALF OF GLOBAL FINANCIAL INCLUSION FUND

Name:

Designation:

Date:

Place: