



Growing

naturally





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At

Subhlakshmi...

...we are in business spaces that are and will stay relevant for the foreseeable future – opportunities will abound.

...we have an operating model where our revenue verticals synergistically leverage each other – one grows, the rest will follow suit.

Our journey

2016

Launched in
October 2016
1 cr disbursement by
December



2017

Profitable Company
March 2017

AUM of 9Cr.



2018

100 Cr. Disbursed
March 2018

AUM of 69 Cr.



2019

250 Cr. Disbursed
March 2019
AUM of 111 Cr.



2020

Expanded to more than 50
branches within 4 years of
operation.

March 2020
AUM of 158 Cr.



2021

Association with Big PSU
giants like SBI and NABARD
March 2021
Crossed 500 Cr. Disbursement



2022

March 2022
AUM of 178 Cr.



Our eminent Board



Ashish Gupta
Independent Director



Durgeshwar Kumar Mishra
CEO & Director



Bipin Bihari Sharma
CFO & Director



Sanjeev Yadav
COO & Director



DIRECTORS' REPORT

Dear Member,

The Board of Directors hereby present the **Twenty Seventh (27th)** Director's Report along with the Audited Financial Statements of your Company for the financial year ended March 31, 2022.

Your Company is non-systemically important non-deposit taking Non-Banking Financial Company (NBFC-ND-NSI) registered with the Reserve Bank of India ("RBI") under Section 45IA of the Reserve Bank of India Act, 1934.

FINANCIALS SUMMARY/ HIGHLIGHTS AND OPERATION'S PERFORMANCE:

Particulars	FY March 31, 2022	FY March 31, 2021
Income		
Revenue from Operation	38,59,87,002	35,90,04,545
Other income	1,37,51,615	1,15,92,036
Total Income	39,97,38,617	37,05,96,581
Expenditure		
Employee Benefit Expense	12,06,79,269	9,95,09,157
Depreciation and Amortisation Expense	29,49,219	28,81,229
Finance Costs	13,88,54,754	14,84,90,619
Other Expense	4,79,57,290	3,62,47,813
Provisions and write-offs	4,76,42,725	7,17,09,874
Total Expense	35,80,83,257	35,88,38,692
Profit before tax	4,16,55,361	1,17,57,889
Tax Expenses:		
-Current Tax	1,39,23,589	34,40,450
-Deferred Tax Credit	-34,39,767	-24,92,372
-Tax reversal for earlier year	-	-
Profit after tax	3,11,71,539	1,08,09,811



The Operational Performance of your Company for last two financial years are summarized in the following table:

Year ended March 31 2022	FY March 31, 2022	FY March 31, 2021	Increase over % FY 2021-22
Number of Branches	51	50	0.02%
Number of Clients	68,603	59,957	14.42%
Number of employees	458	410	11.70%
Number of States	8	8	0.00%
Amount Disbursed (INR In Crore)	159.12	100.94	57.63%
Portfolio Outstanding (INR In Crore)	177.60	144.75	22.70%

WEBLINK OF ANNUAL RETURN:

In accordance with provisions of Sections 92(3) and 134(3)(a) of the Companies Act, 2013, the annual return of your Company in the prescribed format will be available at www.subhlakshmi.in

DESCRIPTION ABOUT COMPANY'S STATE OF AFFAIRS & WORKING:

Your Company is engaged in the business of providing micro, small and medium credits, advances and lending money, on such terms as may be determined from time to time. There has been no change in the business of the Company during the year under review.

DEPOSITS:

During the year under review, your Company has not received or accepted any deposit from the public and retained its non-acceptance of public deposit NBFC status. The financials of your Company do not contain any figures that come under the classification of deposits as specified under Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Further, there was no such unpaid or unclaimed amount as at the end of the year and the Company has not defaulted in payment of interest during the year under review.

TRANSFER TO RESERVES:

Pursuant to Section 45-IC of the RBI Act, 1934 prescribes that every NBFC shall create a reserve fund and transfer therein an amount not less than 20% of its net profit after tax. During the year under review, your Company has transferred INR 62,34,308/- to Statutory Reserve.

DIVIDEND:

To maintain a healthy Net Worth & Capital Adequacy Ratio, the Directors of your Company proposed to retain profits into the business itself and does not recommend to declare the dividend on equity shares of the Company.

CAPITAL ADEQUACY RATIO:

The overall Capital Adequacy Ratio of your Company was 28% as of March 31, 2022.

FUNDING POSITION:

During the year under review, in terms of fundraising, your Company has mobilized funds amounting of INR 166.73 Crore through term loans, BC, PTC & DA.

Your Company has added "Maanaveeya Development & Finance Pvt. Ltd.", Kissan Dhan Agri Financial Services Pvt. Ltd., "Indian Overseas Bank" and "Venus India Assets Finance Pvt. Ltd." to its list of funders in this financial year.

CREDIT RATING

The Company has long term facility rating "IVR BBB- (Investment Grade) from Infomerics Ratings.



DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

A. DIRECTORS:

As on March 31, 2022, the Board of Directors of your Company consist of Four (4) Directors comprising three (3) Directors and one (1) Independent Director. The details are as follows:

Sl. No.	Name of Directors	Category
1.	Mr. Durgeshwar Kumar Mishra	Director
2.	Mr. Bipin Bihari Sharma	Director
3.	Mr. Sanjeev Kumar Yadav	Director
4.	Mr. Ashish Kumar Gupta	Independent Director

The Board was duly constituted in compliance of the Companies Act, 2013 and Reserve Bank of India Act, 1934 and during the year under review, there was change in designation of MR. DURGESHWAR KUMAR MISHRA from Whole-time Director to Chief Executive Officer, MR. SANJEEV KUMAR YADAV from Chief Executive Officer to Chief Operating Officer and MR. BIPIN BIHARI SHARMA was re-appointed as Chief Financial Officer and Executive Director in the Board meeting held on 20/09/2021 and subsequently approved by Shareholders at the Annual General Meeting held on 27th September 2021.

DECLARATION BY INDEPENDENT DIRECTORS

Your Company does not require to appoint an Independent Director on its Board in terms of applicable provisions of the Companies Act, 2013. However, there is one Independent Director on the Board. Therefore, the declaration from Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 are not applicable to your Company.

B. Attendance of Directors:

Sl. No.	Name of Directors	Category of Directors	Number of Meetings for which Directors were eligible to attend	Number of Meetings Attended	Whether Present at Last AGM held on 27.09.2021
1.	Mr. Durgeshwar Kumar Mishra	Director	4	4	Yes
2.	Mr. Bipin Bihari Sharma	Director	4	3	Yes
3.	Mr. Sanjeev Kumar Yadav	Director	4	4	Yes
4.	Mr. Ashish Kumar Gupta	Independent Director	4	4	Yes
5.	Dr. Kanwal Anil	Independent Director	3	3	No

B. KEY MANAGERIAL PERSONNEL:

As on March 31, 2022, Mr. Durgeshwar Kumar Mishra, CEO & Executive Director, Mr. Bipin Bihari Sharma, CFO & Executive Director and Mr. Sanjeev Kumar Yadav, COO & Executive Director are the KMPs of the Company.

During the year under review, due to sad and sudden demise of Mr. Virender Kumar Kashyap, (DIN: 02036163) has ceased to be the Chairman & Non-Executive Director of the Company.

Mr. Deep Shubham (M. No. A46896), Company Secretary has resigned from his post w.e.f. 25th February, 2022.

Also, the tenure of Dr. Kanwal Anil, Independent Director has completed on 18th February, 2022 and accordingly her office has been ceased.

NUMBER OF MEETINGS/ ATTENDANCE OF THE BOARD OF DIRECTORS

A. Number of Board Meetings:

The Board of Directors of your Company met Four (04) times during the Financial Year 2021-22 on the following dates:

Sl. No.	Date of Meeting
1.	June 21, 2021
2.	September 20, 2021
3.	October 28, 2021
4.	February 25, 2022



NUMBER OF SHAREHOLDER'S MEETING:

A. Annual General Meeting:

The last Annual General Meeting of your Company was held on September 27, 2021.

B. Extraordinary General Meeting:

During the year under review, one (1) Extra-ordinary General Meeting of your Company was held on October 28, 2021.

MATERIAL EVENT RECORDED SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

here have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future affecting the financial position of the which has occurred between the end of the financial year i.e. March 31, 2022 and the date of the Director's Report.

CHANGE IN SHARE CAPITAL:

A. Shares Capital: The paid-up share capital of your Company as on March 31, 2022 was INR 17,17,90,940/- (1,71,79,094 shares comprising 1,67,79,094 Equity Shares and 4,00,000 CCPS having face value of INR 10/- per share).

B. During the year under review, the Company has allotted 4,00,000/- compulsorily convertible preference shares on 28-10-2021 and 6,96,000/- equity shares through conversion of share warrants on 24-11-2021.

TRANSACTIONS WITH RELATED PARTIES

Your Company has not entered into contract or arrangement with Related Party during the year as prescribed under sub-section (1) of section 188 of the Companies Act, 2013. During the year under review, there were no other material significant related party transactions entered into by the Company with its Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interest of the Company at large

RISK MANAGEMENT:

Risk Management is an integral part of the Company's business strategy. The risk management process is governed by the enterprise-wide Risk Management Framework. The Risk Management oversight is implemented through a Senior Management. They review compliance with risk policies, monitors risk tolerance limits, reviews and analyses risk exposure related to specific issues and provides oversight of risk across the organization.



STATUTORY AUDITORS, AUDIT QUALIFICATION AND BOARD'S EXPLANATION

a) Statutory Auditors and Audit Qualification:

M/s. KRISHNA ANURAG & CO., Chartered Accountants (FRN: 010146C) Statutory Auditors of the Company, shall hold office till the conclusion of 27th Annual General Meeting to be held in the year 2022.

Pursuant to Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, it is proposed to reappoint M/s. KRISHNA ANURAG & CO., Chartered Accountants (FRN: 010146C) as Statutory Auditors of the Company for a further period of Five (05) years in the ensuing Annual General Meeting.

Further, the Statutory Auditor's report for the financial year 2021-22 does not contain any qualification, reservation, or adverse remark and are self-explanatory and therefore, in the opinion of the Board, do not call for further comments. The Auditors' Report forms part of the Financial Statements of the Company.

b) Reporting of Frauds by Statutory Auditors:

During the year under review, Statutory Auditors has not reported any instance of frauds committed in the Company by its Officers or Employees to the Board of Directors under Section 143(12) of the Companies Act, 2013.

SECRETARIAL STANDARD OF ICSI

During the year under review, your Company has complied with the provisions of Secretarial Standard - 1 (Secretarial Standard on Meeting of Board of Directors) and Secretarial Standard-2 (Secretarial Standard on General Meeting) issued by the Institute of Company Secretaries of India.

CORPORATE GOVERNANCE:

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy

on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including its Executive Directors.

PARTICULARS OF EMPLOYEES

There was no employee whose remuneration was exceed the limit prescribed under section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendment thereof.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

COST RECORDS

During the year under review, the provisions regarding the maintenance of the Cost Accounts & Records as specified under Section 148(1) of the Companies Act 2013, are not applicable on your Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has duly complied with the provisions of Section 186 of the Companies Act, 2013 and rules made thereunder. Details on loans, guarantee or investments made during the year are mentioned in the notes to the financial statements.



POLICIES

A. Vigil Mechanism/ Whistle Blower Policy:

The Company in accordance with provisions of Section 177(9) of the Companies Act, 2013 has established Vigil Mechanism for its employees and Directors through Whistle Blower Policy to deal with instances of unethical behavior, actual or suspected fraud or violation of Company's code of conduct or ethics policy.

Further, the Code of Conduct of your Company serves as a guide for daily business interactions, reflecting your Company's standard for appropriate behaviour and living Corporate Values. The Code of Conduct applies to all People, including Directors, Officers, and all employees of the Company. During the year under review, none of the personnel have been denied access to the Chairman of the Board.

B. Sexual Harassment Policy for Women under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has been employing 20 women employees in various cadres as on March 31, 2022. The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and an Internal Complaint Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder for reporting and conducting an inquiry into the complaints made by the victim on the harassments at the workplace. The functioning of the Committees was carried out as per the letter and spirit of the provisions of the Act.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.

Further, during the year under review, your Company has not received any complaint of sexual harassment and hence, no complaints were pending for redressal as on March 31, 2022.

COMMITTEES OF THE BOARD

Audit Committee:

The Audit Committee of the Board of Directors of your Company has been constituted to reviews accounts and reports to the Board of Directors with respect to various auditing and accounting matters. Details are as follows:

Composition and Meeting

During the year under review, the Audit Committee comprised of 5 (Five) Directors however one of the director viz. Dr. Kanwal Anil vacate the office due to completion of tenure. The Audit Committee met 2 (Two) times on the following dates:

Sl. No.	Date of Meeting
1.	June 21, 2021
2.	September 18, 2021

The attendance of members are as follows:

Sl. No.	Name of Member(s)	Category/ Designation	No. of meetings held/ attended during the FY 2021-22	No. of Meetings attended
1.	Ashish Kumar Gupta	Chairman	2	2
2.	Dr. Kanwal Anil	Member	2	2
3.	Sanjeev Kumar Yadav	Member	2	2
4.	Durgeshwar Kumar Mishra	Member	2	2
5.	Bipin Bihari Sharma	Member	2	2

Borrowing Committee:

The Borrowing Committee of the Board of Directors of the Company is constituted as per the provisions of Section 179 (3) of the Act to review, consider and approve the various financial requirements of the company to be meet out from various Banks and/or Financial Institutions.



Composition and Meeting

During the year under review, the Borrowing Committee comprised of 4 (Four) members. The Borrowing Committee met 17 (Seventeen) times on the following dates:
04/05/2021, 30/06/2021, 12/07/2021, 26/07/2021, 31/07/2021, 17/08/2021, 26/08/2021, 02/09/2021, 29/09/2021, 01/11/2021, 08/11/2021, 27/12/2021, 31/12/2021, 25/01/2022, 23/02/2022, 25/03/2022, 29/03/2022.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013 read with sub-rule (3) of Rule 8 of the Companies (Accounts) Rules, 2014 are as follows:

A. Conservation of Energy and Technology Absorption:

Since your Company does not own any manufacturing facility, the particulars relating to conservation of energy and technology absorption are not applicable.

B. The Foreign Exchange Earnings and Outgo:

Your Company neither had any foreign exchange earnings nor any such outgo during the year under review.

RBI COMPLIANCE:

Your Company is registered with the Reserve Bank of India as a Non-Banking Financial Company within the provisions of Section 45 IA of the Reserve Bank of India Act, 1934.

The Company continues to fulfill all the norms and standards laid down by the RBI pertaining to non-performing assets, capital adequacy, statutory liquidity assets, etc. The Company is in compliance with the Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and as amended from time to time.

Further, as per the statutory requirement, your Company is also register on following portal such as Financial

Intelligence Unit – India (“FIU-IND”), Extensible Business Reporting Language (“XBRL”), National E-Governance Services Limited (“NESL”) and Central Know Your Customer (“CKYC”).

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the provisions contain in Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

DIRECTORS’ RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, hereby confirm and state that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2022 and of the profit and loss of the Company for the year ended March 31, 2022;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts for the financial year ended March 31, 2022 on a going concern basis; and
- e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended March 31, 2022.



DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG-WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the financial year under review, no application has been made, nor is any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

During the financial year under review, there were no difference between amount of amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions

**For and on behalf of the Board
SUBHLAKSHMI FINANCE PRIVATE LIMITED**

SD/-
DURGESHWAR KUMAR MISHRA
CEO & Director
DIN: 05155290

SD/-
BIPIN BIHARI SHARMA
CFO & Director
DIN: 06745272

Date:
Place: Gurugram, Haryana

ACKNOWLEDGEMENT:

Your director's take this opportunity to acknowledge with thanks the continue assistance, support, cooperation, and valuable guidance received from Subhlakshmi Finance Private Limited and all others whose continued support has been a source of strength for the Company. Your directors also record their appreciation for the commitments and dedication shown by staff members of the Company at all levels



INDEPENDENT AUDITOR'S REPORT

To the **MEMBERS OF SUBHLAKSHMI FINANCE PRIVATE LIMITED**
CIN: U67120PB1996PTC017604

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of SUBHLAKSHMI FINANCE PRIVATE LIMITED (the "Company"), which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and statement of cash flows ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2022;
 - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- and
- c) in the case of Cash Flows Statement, of the cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and

the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and

Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

2). As required by Non- Banking Finance Companies Auditors Report (Reserve Bank) Direction 2008 issued by Reserve Bank of India, In terms of Section 45-IA of the Reserve Bank of India 1934, we enclose in Annexure –B, the report in term of paragraphs 3 and 4 of said directions.

3). As required by Section 143(3) of the Act, based on our audit we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) Company does not have any pending litigations which would impact its financial position.

(ii) Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

UDIN-

For Krishna Anurag & company
Chartered Accountants
Firm Registration No. 010146C

SD/-

Krishna Kumar Tiwari Partner
Membership No: 078988

Place:

Date :



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of SUBHLAKSHMI FINANCE PRIVATE LIMITED.)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The company does not hold the title of any immovable property of freehold or leasehold and building, hence reporting under this clause is not applicable.
- (ii) The Company's business does not involve inventories. Accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public during the year.
- (vi) To the best of our knowledge and explanation given to us, the provisions of maintenance of cost records under sub section (1) of Section 148 of the Act are not applicable to Company. Accordingly, Clause (vi) of Order is not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, cess and other statutory dues were outstanding, at the year-end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, service tax and cess which have not been deposited on account of any dispute.
- In respect of sub clauses (vii) (a) to (vii) (c) above, the Company did not have any dues towards wealth tax, sales tax, custom duty; value added tax and excise duty, during the year.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanation given by the management, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.
- (x) According to the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us by the Company, the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company since the Company is a private company. Thus paragraph 3(xi) of the Order is not applicable on the Company.

(xii) The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013

Where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 62 of the Companies Act, 2013 in respect of equity shares issued during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

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

UDIN-

For Krishna Anurag & company
Chartered Accountants
Firm Registration No. 010146C

SD/-

Krishna Kumar Tiwari Partner
Membership No: 078988

Place:

Date :

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of Subhlakshmi Finance Private Limited)

(Pursuant to Non- Banking Finance Companies Auditor's Report (Reserve Bank) Direction, 2016)

To,
The Board of Directors
Subhlakshmi Finance Private Limited

Ref: Auditor's Report under Non- Banking Finance Companies Auditor's Report (Reserve Bank) Direction, 2016, on the Accounts for the Financial Year ended 31st March, 2022

We have audited the accounts of Subhlakshmi Finance Private Limited as at 31st March, 2022 and the Profit & Loss account for that date annexed thereto and report that:

Further to our report of even date issued under Section 143 of the company Act, 2013, as required by Master Direction on Non- Banking Finance Companies Auditor's Report (Reserve Bank) Direction, 2016 vide Master Direction DNBS. PPD.03/66.15.001/2016-17 dated 29 September 2016 (the 'Direction'), issued by Reserve Bank of India in terms of Section 45-IA of Reserve Bank of India Act 1934 (2 of 1934) and on the basis of such checks as we considered appropriate, we hereby state that.

1. The Company is engaged in the business of Non-Banking Financial Institution and has obtained a certificate of Registration No B-06.00246 from the Reserve Bank of India as a Non-Banking Finance Company vide certificate issued under Section 45-IA of RBI Act 1934.
2. The company is entitled to continue and hold certificate of registration in terms of its assets /income pattern as on March 31, 2022.
3. The Net Owned Fund of the company as on 31.03.2022 was Rs 33.13 Crores.
4. The Board of Directors has passed a Resolution for non-acceptance of public deposits during the year.
5. The company has not accepted any public deposits during the relevant period.
6. The company has complied with prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction 2016, during the financial year ended on March 31, 2022.
7. The capital adequacy ratio is in compliance with the minimum CRAR prescribed.

UDIN-
For Krishna Anurag & company
Chartered Accountants
Firm Registration No. 010146C

Krishna Kumar Tiwari
Partner
Membership No: 078988

Place:
Date:

ANNEXURE “C” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 3 (f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date to the members of Subhlakshmi Finance Private Limited)

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

We have audited the internal financial controls over financial reporting of SUBHLAKSHMI FINANCE PRIVATE LIMITED (the “Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting

(the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

UDIN-

For Krishna Anurag & company
Chartered Accountants
Firm Registration No. 010146C

SD/-

Krishna Kumar Tiwari
Partner
Membership No: 078988
Place:
Date :



BALANCE SHEET

as at March 31, 2022

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
I. Equity and Liabilities			
Shareholders' funds			
Share capital	3	17,17,90,940	16,08,30,940
Reserves and surplus	4	15,95,53,479	10,92,49,939
		33,13,44,419	27,00,80,879
Non-current liabilities			
Long-term borrowings	5	44,95,37,487	48,87,98,928
Long-term provisions	6	1,61,79,081	67,61,957
		46,57,16,568	49,55,60,885
Current liabilities			
Short term borrowings	7	52,49,57,960	65,40,15,108
Trade payables	8	16,77,630	51,67,568
Other current liabilities	9	14,80,85,189	5,82,28,658
Short-term provisions	10	2,86,81,770	1,61,51,172
		70,34,02,549	73,35,62,506
Total		1,50,04,63,535	1,49,92,04,271
II. Assets			
Non-current assets			
Property, plant and equipment	11	39,38,854	65,32,627
Deferred tax assets (net)	12	78,99,509	44,59,742
Long-term loans and advances	13	16,68,76,653	23,93,43,400
Other non-current assets	13	7,37,16,256	7,80,01,095
		24,84,92,417	32,18,04,237
		25,24,31,271	32,83,36,861
Current assets			
Short-term loans and advances	13	86,60,24,117	85,47,54,935
Cash and bank balances	14	21,80,54,780	14,76,48,940
Other current assets	13	16,39,53,367	16,8463534
		1,24,80,32,264	1,17,08,67,409
Total		1,50,04,63,535	1,49,92,04,271

Summary of significant accounting policies

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

As per our report of even date

For KRISHNA ANURAG & CO.

ICAI Firm Registration No. 010146C

Chartered Accountants

S/D

KRISHNA KUMAR TIWARI

Partner

Membership No.: 078988

Place: Varanasi

Date : 03-06-2022

For and on behalf of the Board of Directors of

SUBHLAKSHMI FINANCE PRIVATE LIMITED

S/D

Durgeshwar Kumar Mishra

CEO & Director

DIN: 05155290

S/D

Bipin Bihari Sharma

CFO & Director

DIN: 06745272

S/D

Bhupin Khanna

Company Secretary

M. No.-A69125

S/D

Sanjeev Kumar Yadav

COO & Director

DIN: 03110672

Place: Gurgaon

Date : 03-06-2022

STATEMENT OF PROFIT & LOSS

for the period ended March 31, 2022

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
I. Income			
Revenue from operations	16	38,59,87,002	35,90,04,545
Other income	17	1,37,51,615	1,15,92,037
Total income (i)		39,97,38,617	37,05,96,582
II. Expenses			
Employee benefits expenses	18	12,06,79,269	9,95,09,157
Finance costs	19	13,88,54,754	14,84,90,619
Depreciation and amortisation expense	20	29,49,219	28,81,229
Other expenses	21	8,21,95,208	9,99,73,537
Provision for Receivable under Financing	21.A	1,34,04,807	79,84,510
Total expenses (ii)		35,80,83,257	35,88,38,692
Profit before Tax (iii)=(i)-(ii)		4,16,55,361	1,17,57,890
Tax expense			
- Current tax		1,39,23,589	34,40,450
- Deferred tax credit		(34,39,767)	(24,92,372)
Total tax expenses (iv)		1,04,83,821	9,48,078
Profit after tax (v)= (iii)-(iv)		3,11,71,539	1,08,09,811
Earning per share (EPS)			
	24		
Nominal value of share		10.00	10.00
Basic		1.90	0.72
Diluted		1.89	0.72

Summary of significant accounting policies

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

As per our report of even date

For KRISHNA ANURAG & CO.

ICAI Firm Registration No. 010146C
Chartered Accountants

For and on behalf of the Board of Directors of
SUBHLAKSHMI FINANCE PRIVATE LIMITED

S/D

S/D

S/D

S/D

KRISHNA KUMAR TIWARI
Partner
Membership No.: 078988

Durgeshwar Kumar Mishra
CEO & Director
DIN: 05155290

Bipin Bihari Sharma
CFO & Director
DIN: 06745272

Sanjeev Kumar Yadav
COO & Director
DIN: 03110672

Place: Varanasi
Date : 03-06-2022

Bhupin Khanna
Company Secretary
M. No.- A69125

Place: Gurgaon
Date : 03-06-2022



CASH FLOW STATEMENT

for the period ended March 31, 2022

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from operating activities :		
Profit before tax	4,16,55,361	1,17,57,890
Adjustments for :		
Depreciation and amortisation expenses	29,49,219	28,81,229
Interest income on fixed deposits	(1,05,27,744)	(1,04,50,658)
(Gain)/ Loss on sale of investments	-	-
Gain on disposal of property, plant and equipment	-	-
Interest income on advances	-	-
Interest and other finance expenses on borrowings	13,88,54,754	14,84,90,619
Liability no longer required written back	-	-
Operating profit before working capital changes	17,29,31,589	15,26,79,080
Movements in working capital:		
Increase/Decrease in other current assets	45,10,169	(4,02,30,688)
Decrease / (Increase) in loans and advances	(1,12,69,182)	5,43,19,868
Increase / (Decrease) in provisions	2,19,47,722	2,29,627
Increase/Decrease in trade payables	(34,89,938)	40,36,468
Increase/Decrease in other current liabilities	(3,92,00,617)	(34,40,450)
Cash generated from operations	14,54,29,742	18,84,81,071
Direct taxes paid	(1,39,23,589)	(4,15,62,520)
Net cash flow from operating activities (A)	13,15,06,154	18,50,40,621
B. Cash flow from investing activities :		
Acquisition of tangible and intangible assets including CWIP and capital advances	(3,55,449)	(38,86,007)
Disposal of tangible and intangible assets including CWIP	-	11,36,286
Investment in Security deposits against borrowings	57,87,464	(3,09,41,500)
Security deposits for rented property	(15,02,625)	(10,000)
Proceeds (net of disbursement) from Long Term Loans & Advance	7,24,66,748	(6,17,62,233)
Interest received on fixed deposit	1,05,27,744	1,04,50,658
Net cash used in investing activities (B)	8,69,23,882	(8,61,49,082)



CASH FLOW STATEMENT (CONTD...)

for the period ended March 31, 2022

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. Cash flow from financing activities :		
Proceeds from issuance of share capital including Securities Premium	3,00,92,000	1,92,50,000
Proceeds from Share Warrants	-	67,50,000
Borrowings from banks	11,00,00,000	38,00,00,000
Repayments of long-term borrowings	(14,92,61,441)	(25,85,18,678)
Interest and other finance expenses paid on borrowings	(13,88,54,754)	(14,84,90,619)
Net Cash flow from financing activities (C)	(14,80,24,195)	(10,09,297)
Net increase in cash and cash equivalents (A+B+C)	7,04,05,841	9,78,82,242
Cash and cash equivalents at the beginning of the year	14,76,48,939	4,97,66,697
Cash and cash equivalents at the end of the year	21,80,54,780	14,76,48,939
Components of cash and cash equivalents		
Cash on hand	9,98,257	14,76,620
With banks- on current account & in the form of deposits	21,70,56,524	14,61,72,319
Total cash and cash equivalents (refer note 15)	21,80,54,780	14,76,48,939

Summary of significant accounting policies

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

As per our report of even date

For KRISHNA ANURAG & CO.

ICAI Firm Registration No. 010146C

Chartered Accountants

S/D

KRISHNA KUMAR TIWARI

Partner

Membership No.: 078988

Place: Varanasi

Date : 03-06-2022

For and on behalf of the Board of Directors of
SUBHLAKSHMI FINANCE PRIVATE LIMITED

S/D

**Durgeshwar Kumar
Mishra**

CEO & Director

DIN: 05155290

S/ D

**Bipin Bihari
Sharma**

CFO & Director

DIN: 06745272

S/D

Bhupin Khanna

Company Secretary

M. No.- A69125

S/D

**Sanjeev Kumar
Yadav**

COO & Director

DIN: 03110672

Place: Gurgaon

Date : 03-06-2022



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

1. Corporate information

Subhlakshmi Finance Private Limited ("SFPL or the Company") was incorporated to carry on the business of a finance company and provide financial services to micro, small and medium scale enterprises and to individuals. On January 12, 2017, subsequent to change of name the Company received a certificate of registration from the Reserve Bank of India under Section 45IA of the Reserve Bank of India Act, 1934 to carry on the business of a Non-Banking Financial Institution (NBFC) without acceptance of public deposits. Currently, the Company is a Non-systematically important Non-deposit taking Non Banking Financing Company (ND-NBFC) as defined under Section 45IA of the Reserve Bank of India Act, 1934. Accordingly, all provisions of the Reserve Bank of India Act, 1934 and all directions, guidelines or instructions of the Reserve Bank of India that have been issued from time to time and are in force and as applicable to a Non deposit taking Non-Banking Financial Company are applicable to the Company.

The accompanying financial statements reflect the results of the activities undertaken by the Company during the year ended March 31, 2022.

2. Summary of Significant accounting policies

2.1. Basis of accounting and preparation of financial statements

The financial statements have been prepared to comply in accordance with the Accounting Standards ('AS') notified under section 133 of the Companies Act, 2013 (the 'Act') read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and other accounting principles generally accepted in India (IGAAP) and as per the Non-Banking Financial Company - Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and guidelines issued by Reserve Bank of India. The financial statements have been prepared on an accrual basis and under the historical cost convention, except interest on non-performing loans that are recognized on realization. The notified Accounting Standards (AS) are followed by the Company in so far as they are not inconsistent with the NBFC Regulation.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2. Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with the Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Revenue recognition

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.

- i. Income from services rendered in connection with business correspondent are recognized on a monthly basis after such services are rendered and upon receiving confirmation from Banks.
- ii. Revenue in respect of interest on loans sanctioned is recognized on accrual basis on the outstanding balance of loans. EFIs/EMIs commence once the loan is disbursed.
- iii. Income including interest/discount/hire charges/ lease rentals or any other charges on NPA shall be recognised only when it is actually realised. Revenue from interest on non-performing assets is recognized only when it is actually realized. Any other such income recognised before the assets become non-performing and realised shall be.
- iv. Reversed in accordance with the para 7 of the NBFC-Non-Systematically (RB) Directions, 2016.
- v. Revenue from application fees and processing fee received in respect of a loan is recognized in the year in which the loan is sanctioned. Cheque dishonor charges, prepayment penalty, delayed payment charges etc in respect of loans are recognized on receipt basis. Processing fees are recognised as income, upfront when it becomes due



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

- I. Interest income from bank deposit is recognised on the time proportion method taking into consideration the amount outstanding and the applicable interest rates.
- II. All other income is recognised on accrual basis.

c. Property, plant and equipment

Property, plant and equipment, capital work in progress are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at purchase price.

Gain or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

d. Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. Intangible assets are carried at cost less accumulated amortization.

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

e. Depreciation & Amortisation

Depreciation is provided on written down value method over the useful lives of assets prescribed under Schedule II of the Companies Act, 2013 except in case of signage boards. As per general practice of BC Business, the Signage Board capitalized under furniture & fixtures gets replaced every 2 years, therefore management has decided to depreciate these costs over the period of 2 years.

Computer software are amortized on written down method over their estimated life from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset.

f. Impairment of Property, plant and equipment

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

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g. Borrowing costs

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

h. Retirement and other employee benefits

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

(d) **Short Term Employee Benefit:** Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Defined contribution plans

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

Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each period.

Leave Encashment

The company provides leave encashment to all eligible employees on yearly basis. Leave encashment liability is provided based on actuarial valuation carried out at the end of the financial period using projected unit credit method.

Actuarial gains and losses (if any) arising during the year, for both leave encashment and gratuity liability, are immediately recognised in the Statement of Profit and Loss in the year which they arise and are not deferred

i. Income taxes

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carried forward unabsorbed depreciation or tax losses, all deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax assets can be realised.

j. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried in the financial statement at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of investment, the difference between the carrying amount and net disposal proceeds are charged or credited to the statement of profit and loss.

k. Earnings per share

Basic Earning Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

Diluted Earning Per Share:

For the purpose of calculating diluted earnings per share (if any), the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed to have been converted as of the beginning of the year, unless they have been issued at a later date.

l. Provisions & Contingent Liabilities

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not 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 financial statements

m. Cash and cash equivalents

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

n. GST Input Credit:

GST input Credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilizing the credits.

o. Insurance claims:

Insurance Claims are accounted on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

P. Provisioning Policy:

Provision for non-performing assets is recorded at rates which are equal to or higher than the rates specified by the Reserve Bank of India in master direction of Non-Banking Finance Company-Non Systematically Important non deposit taking company (Reserve Bank) direction 2016, and circular DOR.No. BP.BC.63/21.04.048/2019-20. The rates used by the company are as follows

Asset Classification:	Period of Arrear (in days)	Rates as per Company
Owned Portfolio :		
Standard	0 - 179	0.50%
Sub- Standard	180 - 365	10%
Restructured Cum Regular clients	91 - 365	5%-10%
Write Off	365 and more	100%
Managed Portfolio :		
Standard	0 - 179	0.50%
Sub- Standard	180 - 365	10%
Write Off	365 and more	100%

As per the internal assessment, recommendation by the supervising authority, further decrease in the economic activities, and information available, possible impact on recoverability of loan assets, current indicators of future economic conditions, company made the write off from the NPA loan assets, in accordance with approval of the Board.

q. Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated provisions for such loan assets, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited in statement of profit and loss."

r. Restructure of Loans

As per the notification issued by Reserve Bank of India vide RBI/2020-1/17DOR. No. BP.BC/4/21.04.048/2020-21 dated August 6, 2020 (for restructuring of loans of Micro, Small and Medium Enterprises (MSME) sector-Restructuring of loans having exposure less than or equal to prescribed amount) :

Particulars	March 31, 2022	March 31, 2021
No. of Loan Restructure loans Outstanding	2,991	7,112
Amount (Rs.) (in Crores)	9.61	13.62

s. Material Events:

Material events occurring after the Balance Sheet date are taken into cognizance.

t. Operating Cycle

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

u. Operating Assets:

De-recognition of securitized assets in the books of accounts of the company and recognition of gain or loss arising on securitization and accounting for credit enhancement provided by the company are based on the revised guidelines on Securitization transaction issued by RBI in respect of NBFC. Securitised assets are derecognised in the books of the Company on the principle of surrender of control over the assets. Minimum Retention Requirement (MRR) by way of investments in Fixed Deposits with Bank is included in the Cash and Bank/ Other non current assets. Residual income on securitization of loans is recognised over the life of the underlying loans and on the basis of agreement with the counterparties.

v. Classification of current / non-current liabilities and assets

Liability: A liability has been classified as 'current' when it satisfies any of following criteria:

- It is expected to be settled in the Company's normal operating cycle.
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by issue of equity instrument do not affect its classification. All other liabilities are classified as non-current.

Asset: An asset has been classified as "current" when it satisfies any of following criteria:

- It is expected to be realized in, or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets are classified as non-current



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

3. Share Capital

	As at March 31, 2022	As at March 31, 2021
Authorized Shares		
1,90,00,000 (March 31, 2021: 2,00,00,000) equity shares of Rs.10 each	19,00,00,000	20,00,00,000
10,00,000 preference shares of Rs.10 each	1,00,00,000	-
	20,00,00,000	20,00,00,000
Issued, subscribed and fully paid-up shares		
1,67,79,094 (March 31, 2021: 1,60,83,094) equity shares of Rs.10 each fully paid up	16,77,90,940	16,08,30,940
4,00,000 preference shares of Rs.10 each fully paid up	40,00,000	-
Total issued, subscribed and fully paid-up share capital	17,17,90,940	16,08,30,940

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

Equity shares	As at March 31, 2022		As at March 31, 2021	
	No.	Amount	No.	Amount
Outstanding at the beginning of the year	1,60,83,94	16,08,30,940	1,46,98,094	14,69,80,940
Issued during the year [refer note (i) below]	6,96,000	69,60,000	13,85,000	1,38,50,000
Shares outstanding at the end of the year	1,67,79,094	16,77,90,940	1,60,83,094	16,08,30,940

i) During the year, the Company has issued 6,96,000 fresh equity shares of Rs 10 each to its existing shareholders (including security premium of Rs.4.50) aggregating to Rs. 1,00,92,000/-.

B. Reconciliation of the Preference shares outstanding at the beginning and at the end of the reporting year

Preference shares	As at March 31, 2022		As at March 31, 2021	
	No.	Amount	No.	Amount
Outstanding at the beginning of the year	-	-	-	-
Issued during the year [refer note (i) below]	4,00,000	40,00,000	-	-
Shares outstanding at the end of the year	4,00,000	40,00,000	-	-

i) During the year, the Company has issued 4,00,000 fresh convertible preference shares of Rs 10 each to shareholders (including security premium of Rs.40) aggregating to Rs. 2,00,00,000/-.

C. Terms/rights attached to equity shares

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

D. Terms/rights attached to Preference shares

During the FY 21-22 Company 'Issue of 4,00,000 Cumulative Compulsorily Convertible Preference Shares ("CCPS") of Rs.10/- each comprising of (i) 2,40,000 "Series A" CCPS and (ii) 1,60,000 "Series A1" CCPS, at an issue price of Rs. 50/- each including a premium of Rs.40/- each.

"Series A" CCPS and "Series A1" CCPS shall be convertible at the option of the investor to be converted into Equity shares on completion of 2Years with 1Year extension at the option of the investor from the date of investment.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

D. Details of shareholders holding more than 5% Equity shares in the Company

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% Holding	No. of Shares held	% Holding
Equity Shares of Rs.10 each fully paid				
Bipin Bihari Sharma	30,38,261	18.11%	29,82,261	18.54%
Sanjeev Kumar Yadav	30,18,511	17.99%	27,88,511	17.34%
Durgeshwar Mishra	26,42,500	15.75%	19,94,100	12.40%
Rakesh Kumar Dubey	17,24,750	10.28%	24,56,250	15.27%
Rita Dubey	15,83,750	9.44%	-	-
Creyatech Pvt. Ltd.	34,61,000	20.63%	36,85,000	22.91%
Total	1,54,68,772		1,39,06,122	

E. Details of shareholders holding more than 5% Preference shares in the Company

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% Holding	No. of Shares held	% Holding
Preference Shares of Rs.10 each fully paid				
Geetanjali Malik	40,000	10.00%	-	-
Suman Gupta	40,000	10.00%	-	-
Dev Nath Mishra	30,000	7.50%	-	-
Rishabh Dubey	25,000	6.25%	-	-
Mansha Dubey	25,000	6.25%	-	-
Sadhna Dwivedi	20,000	5.00%	-	-
Vijay Kumar Ojha	20,000	5.00%	-	-
Zoom Insurance Brokers Private Limited	2,00,000	50.00%	-	-
Total	4,00,000		-	



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

4. Reserves and surplus	As at March 31, 2022	As at March 31, 2021
A. Securities premium		
Balance as per last financial statements	3,33,22,412	2,11,72,412
Add: Amount of security premium received on issue of 6,96,000 equity share of Rs. 10/- each at a premium of Rs. 4.50/- per share)	31,32,000	54,00,000
Add: Amount of securities premium received on issue of 4,00,000 convertible preference share of Rs. 50/- each, which includes premium of Rs. 40/- each	1,60,00,000	67,50,000
Balance as per latest Financial Statements	5,24,54,412	3,33,22,412
B. Statutory Reserve under section 45-IC of RBI Act		
Balance as per last financial statements	1,51,85,506	1,30,23,543
Add: Addition during the year	62,34,308	21,61,962
	2,14,19,814	1,51,85,506
C. Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	6,07,42,022	5,20,94,174
Profit for the year	3,11,71,539	1,08,09,811
Less: Transfer to special reserves under section 45IC of RBI Act	(62,34,308)	(21,61,962)
Net surplus in the statement of profit and loss	8,56,79,254	6,07,42,022
Total (A+B+C)	15,95,53,479	10,92,49,939
5. Long term Borrowings	As at March 31, 2022	As at March 31, 2021
A. Secured Loan		
Term Loans from Bank	25,59,93,337	32,17,62,918
Term Loans from Financial Institution	14,35,44,150	11,70,36,010
B. Unsecured Loan		
Term Loans from Banks	2,00,00,000	2,00,00,000
Term Loans from Financial Institutions.	3,00,00,000	3,00,00,000
Total	44,95,37,487	48,87,98,928
6. Long term Provisions	As at March 31, 2022	As at March 31, 2021
A. Provisions for Employee Benefits		
Provision for Leave Encashment	4,35,107	9,26,562
Provision for Gratuity	11,31,596	13,31,781
B. Provision for Portfolio Loans:		
Provision for standard, sub-standard Assets	1,46,12,378	45,03,614
Total	1,61,79,081	48,87,98,928



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

7. Short term Borrowings	As at March 31, 2022	As at March 31, 2021
Secured		
Current maturities of Long Term Borrowings		
-Term Loan from Banks	18,27,32,831	15,88,69,353
-Term Loan from Financial Institutions	34,22,25,129	49,51,45,755
Total	52,49,57,960	65,40,15,108

8. Trade payables	As at March 31, 2022	As at March 31, 2021
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises (commission payable)	16,77,630	51,67,568
Total	16,77,630	51,67,568

9. Other current liabilities	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	45,64,845	73,21,425
Statutory Dues payables:		
P.F. & ESI Payable	10,79,092	10,53,640
TDS Payable	17,58,152	16,71,237
GST payable	49,74,498	84,12,882
Disbursement Payable	10,28,21,228	2,64,25,453
Salary Payable	23,33,179	78,03,728
Audit Fee Payable	4,50,000	3,00,625
Expenses Payable	27,58,361	52,39,668
Other payables*	52,61,774	-
Advance Collection on Restructured Clients	2,20,84,060	-
Total	14,80,85,189	5,82,28,658

*Other Payables include EMI payable loan due on 31-Mar-22

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

10. Provisions

	As at March 31, 2022	As at March 31, 2021
(A) Provision for Employee Benefits:		
Provision for gratuity (refer note 26)	2,95,319	4,73,744
Provision for leave encashment (refer note 26)	1,70,774	1,30,072
(A) Provision for Portfolio Loans:		
Provision for standard, sub-standard Assets.	1,46,11,799	1,13,15,756
Provision for Income Tax	1,36,03,878	42,31,600
Total	2,86,81,770	1,61,51,172

11. Property Plant & Equipment

Particulars	Furniture & Fixtures	Computer & Printer	Office Equipment	Vehicle	Intangible Asset	Total
Gross						
At April 1, 2020	16,96,695	30,68,507	29,95,953	18,57,760	12,970	96,31,885
Additions	32,450	9,67,935	4,09,627	24,75,995	-	38,86,007
Disposal	-	-	-	-	-	-
As at March 31, 2021"	17,29,145	40,36,442	34,05,580	43,33,755	12,970	1,35,17,892
Additions	-	3,13,301	51,398	-	-	3,64,699
Disposal	-	-	9,250	-	-	9,250
As at March 31, 2022	17,29,145	43,49,743	34,47,728	43,33,755	12,970	1,38,73,341
Accumulated Depreciation						
At April 1, 2020	8,05,572	23,61,682	9,12,264	21,163	3,357	41,04,038
Charge For the Year	2,37,286	6,37,622	10,51,052	9,52,781	2,488	28,81,229
Disposal	-	-	-	-	-	-
As at March 31, 2021	10,42,858	29,99,304	19,63,316	9,73,944	5,845	69,85,267
Charge For the Year	1,41,366	5,90,289	6,22,474	15,93,245	1,845	29,49,219
Disposal	-	-	-	-	-	-
As at March 31, 2022"	11,84,224	35,89,593	25,85,791	25,67,189	7,690	99,34,487
Net Block						
As at March 31, 2021	6,86,287	10,37,138	14,42,264	33,59,811	7,125	65,32,625
As at March 31, 2022	5,44,921	7,60,150	8,61,937	17,66,566	5,280	39,38,854



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

12. Deferred tax assets (net)

	As at March 31, 2022	As at March 31, 2021
Opening Timing Difference	177,19,890	80,36,646
Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	10,91,782	10,67,631
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	1,34,04,807	91,12,435
Deferred tax liabilities		
Impact of difference between provision for Gratuity and leave encashment Reversed during the financial year	(8,29,363)	-
Timing Difference	1,36,67,226	1,82,16,712
Net deferred tax assets	78,99,509	44,59,7422

13. Loans and advances (Unsecured, considered good unless stated otherwise)

	Non Current As at March 31, 2022	As at March 31, 2021	Current As at March 31, 2022	As at March 31, 2021
Unsecured – considered good	-	-	-	-
Loans and Advances – Financing Activity	16,68,76,653	23,93,43,400	86,60,24,117	85,47,54,935
Security Deposit to the Funders against Borrowings	6,89,88,810	7,47,76,274	6,13,99,615	8,56,99,082
Security deposits for rented property / others	47,27,446	32,24,821	-	-
	24,05,92,909	31,73,44,495	92,74,23,732	94,04,54,017

Others

Unsecured, considered good

Interest Accrual on Fixed Deposit	-	-	84,01,080	78,92,028
Interest Accrued on Owned Portfolio	-	-	4,00,58,632	1,58,63,150
Accrued service charge on managed portfolio	-	-	2,46,51,554	4,46,02,912
Recoverable from MAS & other	-	-	96,51,175	-
Advance Tax	-	-	8,27,000	15,00,000
Advance To Employees	-	-	4,10,830	89,031
Input GST	-	-	39,565	39,565
TDS receivable	-	-	51,28,527	33,21,242
Other Current Assets	-	-	1,00,53,413	94,56,525
Total	24,05,92,909	31,73,44,495	1,02,99,77,484	1,02,32,18,471

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

14. Other assets (Unsecured, considered good)

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Current bank balances & cash including deposits (refer note 15)	-	-	21,80,54,780	14,76,48,940
Total Cash & Bank balance including deposits			21,80,54,780	14,76,48,940
Total	-	-	21,80,54,780	14,76,48,940

15. Cash and bank balances

	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents				
Balances with banks				
- on current accounts	-	-	11,67,99,562	14,61,72,320
Cash on hand	-	-	9,98,257	14,76,620
- In other deposit accounts with original less maturity	-	-	10,02,56,962	
Total	-	-	21,80,54,708	14,76,48,939



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

16. Revenue from operations

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on Loans	27,12,53,323	28,15,94,305
Processing Fee	4,48,12,602	3,06,69,301
Service fee income from business correspondence arrangements	3,44,27,338	3,79,64,238
Income from Direct Assignment	3,54,93,739	87,76,701
Total	38,59,87,002	35,90,04,545

17. Other income

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on		
- term deposit with banks/lenders	86,44,181	67,57,516
- Fixed Deposit	18,83,564	36,93,141
Miscellaneous income	32,23,871	11,41,379
Total	1,37,51,615	1,15,92,036

18. Employee benefit expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and bonus	11,27,18,579	8,96,59,110
Contributions to provident and other funds	59,10,533	77,90,638
Director Sitting Fee	1,00,000	1,60,000
Staff welfare expenses	19,50,157	18,99,409
Total	12,06,79,269	9,95,09,157

19. Finance costs

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense		
- term loan from banks	5,97,55,400	4,75,22,602
- term loan from lenders	6,71,60,435	9,39,82,504
Other borrowing costs	1,19,38,919	66,47,993
Total	13,88,54,754	14,84,90,619



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

20. Depreciation and amortisation expense

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment	29,47,374	28,78,741
Amortisation on intangible assets	1,845	2,488
Total	29,49,219	28,81,229

21. Other expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Auditor's Remuneration	5,00,000	3,25,000
Bank charges	4,27,278	5,98,364
Branch expenses	23,01,400	19,83,546
Branch travelling Expense	13,24,729	8,96,005
Business Promotion expense	6,13,943	1,14,894
Rating Fees & Allied Exp	4,21,640	2,75,000
Publicity & Advertisement expenses	8,000	2,17,500
Electricity expenses	7,72,218	9,04,809
Credit Information Expense	14,24,714	10,91,042
GST Expense	34,58,506	23,07,304
Insurance money in transit	59,055	1,35,970
Interest on Statutory Dues	2,50,644	28,987
Legal and professional fees	96,90,721	55,28,019
Meeting Expense	28,472	1,69,575
Office Maintenance Expenses	13,23,540	5,41,844
Out of pocket expenses	39,850	83,704
Postage & telegram Expense	1,45,992	28,830
Printing and Stationary Expense	7,41,025	9,48,839
Rates and Taxes	1,76,322	68,450
Rent	1,31,20,719	1,24,44,765
Repair and Maintainance Exp.	6,97,043	18,99,090
ROC Fees	26,452	1,12,239
Application Develop & Hosting Exp.	18,18,725	18,20,307
Collection Charges	29,58,363	9,61,813
Telephone & Internet Exp.	4,83,003	5,27,069
Loans & Advances-Written off	3,42,37,918	6,37,25,724
Documentation Expense	1,63,331	1,12,500
Water Expense	59,990	61,669
Total	8,21,95,208	9,99,73,537



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

* Payment to the auditors comprises (net of GST input, where applicable):	As at March 31, 2022	As at March 31, 2021
As Auditors – Statutory Audit	250000	200000
For taxation matter	150000	75000
For other matter	100000	50000
Total	500000	325000

21A. PROVISION FOR RECEIVABLE UNDER FINANCING ACTIVITY	As at March 31, 2022	As at March 31, 2021
A. Standard Asset	61,81,757	74,46,018
B. Sub-Standard Asset	72,23,050	5,38,132
Total	1,34,04,807	79,84,150

22. Related Party Disclosure (Contd.)

Particulars of Related Parties

A) Description of relationship	
Key management personnel	1. Sanjeev Kumar Yadav - Chief Operation Officer & Director
	2. Bipin Bihari Sharma - Chief Financial Officer & Director
	3. Durgeshwar Kumar Mishra - Chief Executive Officer & Director
Enterprise where director has significant influence	1. Creyatech Private Limited

Note: Related parties have been identified by the Management.

B) Details of related party transactions during the year ended March 31, 2022 and outstanding balance as at March 31, 2021:

22. Related Party Disclosure (Contd.)

	Key Management Personnel & Relatives of KMP & Entities over which KMP have Significant influence	
	Transaction Value for the year	Balance outstanding as on closing date
Managerial Remuneration		
Durgeshwar Kumar Mishra	63,00,000	26,18,804
Sanjeev Kumar Yadav	63,00,000	26,18,804
Bipin Bihari Sharma	63,00,000	26,18,804
Shares Issued During the year		
Durgeshwar Kumar Mishra	17,40,000	22,50,000
Sanjeev Kumar Yadav	17,40,000	22,50,000
Bipin Bihari Sharma	17,40,000	22,50,000
Creyatech Private Limited	-	48,50,000
Securities Premium During the year		
Durgeshwar Kumar Mishra	7,83,000	30,37,500
Sanjeev Kumar Yadav	7,83,000	30,37,500
Bipin Bihari Sharma	7,83,000	30,37,500
Total	2,64,69,000	2,85,68,912



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

23 Gratuity & Leave Encashment

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

The Company also offers the employee benefit scheme of Leave encashment. Benefits payable to eligible employees of the company with respect to Leave Encashment, a defined benefit plan is accounted for on the basis of valuation as at the balance sheet date.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Assumptions:		
Discount Rate	5.25%	6.76%
Salary increase	5.00%	5.00%
Expected Average Remaining Working Life of Employees Tables	IALM (2012-14)	IALM (2012-14)
Attrition Rate	40.00%	40.00%
Table Showing changes in present value of Defined Benefit obligation:		
Present value of defined benefit obligations as at beginning of the year	28,62,159	17,33,874
Interest cost	1,50,263	11,28,285
Current service cost	8,76,766	5,71,510
Actuarial (gain)/loss on obligations	90,870	(15,27,153)
Present value of defined benefit obligations as at end of the year	25,03,390	14,35,284
The amounts to be recognised in the Balance Sheet and statement of profit and loss:		
Present value of obligations at the end of the year	25,03,390	14,35,284
Fair value of plan assets at the end of the year	-	-
Net liability recognised in balance sheet	25,03,390	14,35,284
Expenses Recognised in statement of Profit and Loss:		
Current Service Cost	8,76,766	5,71,510
Interest Cost	1,00,470	1,56,816
Net Actuarial (gain)/ loss recognised in the year	90,870	(15,27,153)
Expenses recognised in statement of profit and loss	10,68,106	(7,98,827)

24. Earning Per Share

	As at March 31, 2022	As at March 31, 2021
Net (Profit/Loss) for the year	3,11,71,539	1,08,09,811
Less: Dividend	-	-
Net (Profit/Loss) for the year attributable to equity shareholders	3,11,71,539	1,08,09,811
Weighted average number of equity shares – for Basic EPS	1,63,76,749	1,50,03,927
Effect of dilutive potential equity share equivalent	1,39,178	1,50,03,927
Basic EPS	1.90	0.72
Diluted EPS	1.89	0.72



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

25. Segment Information:

The Company operates in a single reportable segment i.e., to act as a Business Correspondents for Banks, which have similar risks and returns for the purpose of Accounting Standard-17 on 'Segment Reporting' specified under section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rule, 2014 and Companies (Accounting Standard) Amendment Rules, 2017. The Company also operates as an Aadhar agent and electronic toll collection agent which is an ancillary services under business correspondents for banks. The Company operates in a single geographical segment i.e. domestic. Hence, no additional disclosures are required under Accounting Standard-17.

26. Previous Year Figures

Previous year's figures have been regrouped/reclassified, where necessary, to conform to current year's classification.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

27. Ratio Analysis:

Particulars			As at March 31, 2022	As at March 31, 2021
A	Current ratio	Current assets over current liabilities	1.77	1.60
B	Debt equity ratio	Debt over total shareholders' equity	2.94	4.23
C	Debt service coverage ratio	EBITDA over current debt	0.20	0.19
D	Return on equity %	PAT over total average equity	10.37%	8%
E	Trade receivables turnover ratio	Revenue from operations over average trade receivables	NA	NA
F	Trade payables turnover ratio	Adjusted expenses over average trade payables	24.02	31.74
G	Net capital turnover ratio%	Revenue from operations over average working capital	81%	91%
H	Net profit %	Net profit over revenue	7.80%	2.92%
I	EBITDA %	EBITDA over revenue	46%	44%
J	EBIT %	EBIT over revenue	45%	43%
K	Return on capital employed %	EBIT over average capital employed	23%	21%
L	Return on investment	PAT to total Assets	2.08	0.77

Further Explanation for any change in the ratio by more than 25% as compared to the preceding year are mentioned hereunder:

a. Debt equity ratio

Total Debt has decreased from Rs 1,14,28,14,036 to Rs in March 2021 to Rs 97,44,95,446.69 in March 2022 due to repayment of Loan during the F.Y 2021-22, where as Equity has increased from Rs 27,00,80,879 to Rs 33,13,44,419 due to issue of 696000 equity shares of Rs 10 issued at Rs 14.50 each and 400000 Preference Shares of Rs 10 issued at Rs 50 each.

b. Return on investment

PAT increased from Rs 1,08,09,811 in March 2021 to Rs 3,11,71,539 in March 2022 (i.e 188% increase from previous year) due to increase in portfolio and revenue and also a reduction in writeoff of portfolio from previous year , where as Total Assets has also increased from Rs 1,40,92,02,298 to Rs 1,49,98,33,903 due to increase in portfolio but this is only 6.43% of previous year.

For KRISHNA ANURAG & CO.

ICAI Firm Registration No. 010146C
Chartered Accountants

Krishna Kumar Tiwari
Partner
Membership No.: 078988

Place: Varanasi

Date : 03-06-2022

For and on behalf of the Board of Directors of
SUBHLAKSHMI FINANCE PRIVATE LIMITED

SD/-
Durgeshwar Kumar Mishra
CEO & Director
DIN: 05155290

SD/-
Bipin Bihari Sharma
CFO & Director
DIN: 06745272

SD/-
Bhupin Khanna
Company Secretary

SD/-
Sanjeev Kumar Yadav
COO & Director DIN:
03110672

Place: Gurgaon
Date : 03-06-2022



Head Office

Plot No. 55-P, 4th Floor,
Sector 44, Gurugram,
Haryana: 122003

Registered Office

Subhlakshmi Finance Private Limited
H.NO,B336,
GURU NANAK COLONY,
GALI NO-2 SANGRUR PB 148001