



**16<sup>th</sup>**  
**ANNUAL REPORT**  
**FY 2022-2023**

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**CORPORATE INFORMATION****Board of Directors**

Smt. R.S. Isabella	Chairman & Managing Director
Shri. C. Thangaraju	Director
Shri. K Swaminathan	Nominee Director
Shri. V. Dasaraty	Independent Director
Shri. S. Nagoor Ali Jinnah	Independent Director
Shri. Ramachandran Balachandran	Independent Director
Shri. S. T. Kannan	Independent Director
Shri. R Suresh	Independent Director
Shri. S Rathinasundaram	Additional Director (W.e.f 16-05-2023)
Shri. A.G. Venkatachalam	Whole-time Director

**Registered office**

“REPCO TOWER” 33, North Usman Road,  
T. Nagar, Chennai – 600 017.  
Telephone : 044 2834 0715

**Corporate Office**

Second Floor - North wing,  
Karumuttu Centre,  
New No. 634, Anna Salai,  
Nandanam, Chennai-600 035.

**Contact Details**

Telephone : 044 2431 0212  
Email : [cs@repcomicrofin.co.in](mailto:cs@repcomicrofin.co.in)  
Website : <https://www.repcomicrofin.co.in>

**Executives**

Shri. S. Shenbagaraj	Chief Technology Officer
Shri. P. Senthil Kumar	Chief Financial Officer
Shri. S Yoganandhan	Company Secretary
Shri. R. Easwaran	Head Risk Management Division
Shri. S. Vimal	Head Credit & Vigilance Division
Shri. P. K. B. Balamurugan	Head Inspection & Internal Audit Division
Shri. R Seenivasan	Head General Administration Division

**Statutory Auditor**

M/s. Rajagopal & Badri Narayanan  
New. No. 38/23, Venkatesa Agraharam,  
Mylapore,  
Chennai – 600 004.

**Internal Auditor**

M/s RSJV & Associates,  
Emeral Park, Flat - 3A, 3rd Floor,  
49/57, Sadullah Street,  
T. Nagar,  
Chennai – 600017

**Secretarial Auditor**

M/s A Ramanathan & Company,  
Plot No. 84, Kamarajar Salai,  
AVM Colony, Virugambakkam,  
Chennai - 600 092

**Registrar & Transfer Agent**

M/s. Cameo Corporate Services Limited,  
Subramanian Building,  
No.1, Club House Road,  
Chennai – 600 002

**Regulator**

Reserve Bank of India,  
Department of Non-banking Supervision,  
Chennai – 600 001.

**Self-Regulatory Organization (SRO)**

Sa-Dhan,  
A1 – 248, 3rd Floor, Safdarjung Enclave,  
New Delhi – 110 029.

**Lenders**

Bank of Baroda  
Bank of India  
Bajaj Finance Limited  
Canara Bank  
Dhanalaxmi Bank  
HDFC Bank  
ICICI Bank  
IDFC First Bank  
Indian Bank  
Karur Vysya Bank  
NABARD  
RepcO Bank  
State Bank of India  
Tamilnad Mercantile Bank  
Tata Capital Financial Services Ltd

**Credit Information  
Companies (CIC)**

CRIF High Mark  
Equifax  
CIBIL  
Experian

**VISION & MISSION****Vision**

Financial inclusion  
– reaching the  
unbanked  
segment. Providing  
easy & hassle free  
means of finance to  
SHG's

**Mission**

Up scaling under  
privileged through  
financial inclusion  
and creation of first  
generation  
entrepreneurs.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

**Environmental Sustainability projects at Vallakottai, Tamil Nadu, Chennai**



**Kitchen Garden**



**Garbology**



**Wealth from waste**

**Renovation of School premises and table & chairs handed over to Government primary school Kullampatti, sankakiri onriyam, Salem.**



**Veterinary Science Training program at Thinnakonam, Musiri**

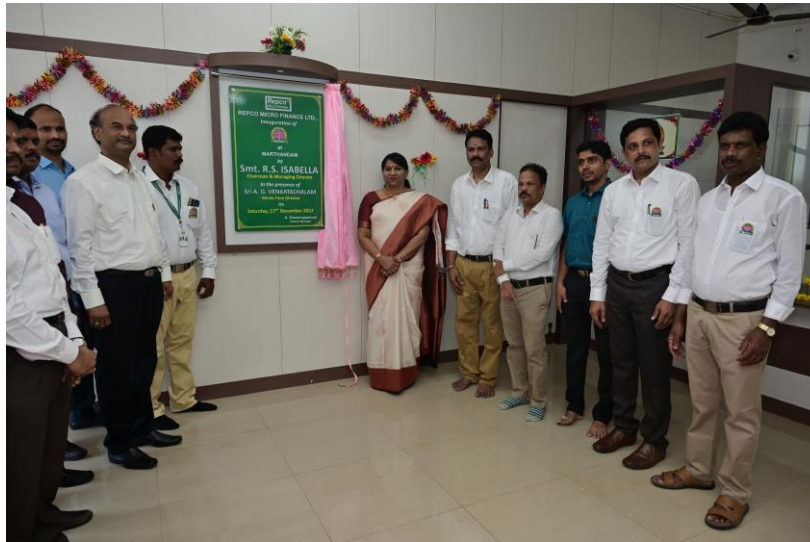


**Breast Cancer Screening in collaboration with Dr. Rajarathnam medical and Educational Foundation Trust, Chennai.**





RECENT DEVELOPMENTS & INITIATIVES



Opened 100th Branch at Marthandam, Kanyakumari district, Tamil Nadu



Opened 104<sup>th</sup> Branch at Palakkad, Kerala



Smt. R. S. Isabella, Chairman & Managing Director is one among the panellist in South India Conference on Financial Inclusion 2023 organized by Sa-dhan

**BOARD OF DIRECTORS – 2023**

Smt. R S. Isabella  
*Chairman & Managing Director*



Shri. V. Dasaraty  
*Independent Director*



Shri. C. Thangaraju  
*Director*



Shri. S. Nagoor Ali Jinnah  
*Independent Director*



Shri. Ramachandran Balachandran  
*Independent Director*



Shri. K Swaminathan  
*Nominee Director*



Shri. S. T. Kannan  
*Independent Director*

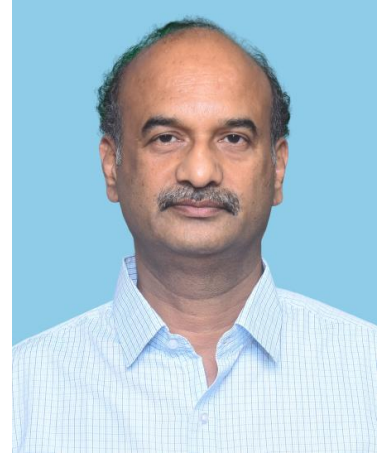




Shri. R Suresh  
*Independent Director*



Shri. S Rathinasundaram  
*Director*



Shri. A.G. Venkatachalam  
*Whole-time Director*

**CHAIRMAN & MANAGING DIRECTOR'S MESSAGE**

Dear Stakeholder,

It is my pleasure to share our Company's performance for the financial year 2022-23.

The year 2022 witnessed significant changes in Micro finance sector due to introduction and implementation of Revised Regulatory Framework in a comprehensive manner.

On account of adoption of new regulations, company's disbursement showed muted growth during the initial period of the fiscal as seen in the industry. Momentum was good and growth in business was to the expected level during the second half of the fiscal.

During the year, Regular Customer Training Programme (CTP) and Periodical Skill Training for members of SHG withheld due to Covid was resumed. Non-Micro Finance loan scheme was launched aiming at business expansion through customer retention. The company ensured effective resources management by enhancement of Authorized Share capital and Borrowing powers of the company.

Nine new branches were opened during the year including 100<sup>th</sup> branch at Marthandam, Kanyakumari district of Tamilnadu and a new branch in the state of Kerala taking the total network of branches to 104.

As company crossed the net-worth of Rs. 250 crore as at the end of previous fiscal, IND-AS framework was adopted and preceding year financial statements were re-worked for comparison and to fulfil the statutory requirement.

We closed the year with outstanding loan portfolio of Rs. 1087 crore highest ever for the company, revenue of Rs. 177.76 crore, a PAT of Rs. 46.23 crore and a significantly better OPEX at 4.82%, ROA of 7.90% and ROE of 25.08% for the year.

Company's asset quality was robust and better than peers in the industry. The collection efficiency revolved around 97% during the fiscal and Provision Coverage Ratio to Non-performing assets was at 120% at the end of fiscal.

Four new lenders added to the borrowings fold. Cost of borrowing was lowest in the industry due to which the company was able to pass the benefit to customers through affordable lending rate.

At the end of the year, Company served around 3 lakh customers through a network of 104 branches manned by ~800 employees. Networth stood at 327 crore and Capital Adequacy Ratio at 30.72%, both being the highest for the company.

RMFL continues to be one among the largest NBFC-MFI in the country and ranks amongst the top 20 NBFC-MFI institutions in terms of Gross Loan Portfolio.

I wish to thank each one of our customers for their valuable business relationship, our employees for their relentless hard work through the year, our promoter entity for the confidence in us, the shareholders for their continued trust and support, our lenders for their sustained backing, our esteemed Board of Directors for their guidance, the Reserve Bank of India for their progressive policies towards the sector, Sa-Dhan for being proactive and supportive at all times, all our partners/vendors/associates for their efforts and the central and state governments for providing a conducive environment for our business.

With resurgence in economic activity and improvement in household income supported by growth in digitisation, the microfinance sector as a whole is expected to see a significant growth in 2023-24. Accordingly, I look forward to a progressive year - 2023-24 for the company with your support.

**R.S. Isabella**  
**Chairman & Managing Director**

## PERFORMANCE HIGHLIGHTS FY 2022 - 2023



Customer  
Strength



285439



Total Branches  
Tamilnadu, Kerala &  
UT of Puducherry



104



Districts



39



Gross Loan  
Portfolio



1087.06 Cr



Net Profit



46.23 Cr

# PERFORMANCE HIGHLIGHTS

## FY 2022 - 2023



Networth

> 327.07 Cr



Capital Adequacy Ratio

> 30.72 %



Loan Sanction

> 871.31 Cr



Disbursement

> 865.83 Cr



Opex

> 5.58 %

Annual Report 2022-2023



**MANAGEMENT DISCUSSION AND ANALYSIS:**

The economic activities of the FY 2022-23 started with a strong note through higher GDP growth rate of 13.5% for the Q1 of the fiscal due to base effect. The growth rate for the FY as a whole moderated and registered at 7.2% which was higher than the expected level. The growth boosted the Indian Economy to GDP of \$3.3 trillion and set the stage for achieving \$5 trillion in the coming years. In the same period, other economies struggled to register positive growth rate and few even entered technical recession. India's GDP growth figures underscore the resilience of the Indian economy amidst global challenges.

The COVID pandemic, during the last 2 years disrupted the global economic activities to a maximum extent and again exposed during the year at some countries but its impact was not extensive and non-disruptive.

**Inflation & Interest Rates**

In 2022-23 the monetary policy outcome of the Global Central banks was habituated by an abrupt change in the inflation outlook consequent to the war in Ukraine and its consequences including supply-chain bottlenecks. Consequently, most of the central banks involved in aggressive monetary policy tightening to tackle the rising inflationary trend.

India's central bank has raised its benchmark repo rate cumulatively by 250 basis points during the period from May 2022 to Feb 2023 and changed the policy stance to withdrawal of accommodation in order to tackle higher inflation. Going ahead, the RBI is expected to focus on achieving its medium-term target of CPI inflation of 4 percent within a band of +/- 2 percent, balancing growth and inflation.

**Industry Scenario:**

The novel Regulatory framework for Micro Finance which came into force during Dec' 2011 (consequent to AP crisis 2010), including interest rate cap and other operational restrictions, was applicable to only NBFC-MFIs, whereas the same is not applicable to other lenders such as Banks, NBFCs, etc. involved in microfinance lending till the fiscal ending March 2022.

In this scenario, the implementation of revised regulatory framework by the Reserve Bank of India vide its notification in March' 2022, regarding applicability to all categories of institutions beginning the fiscal 2022-23, resulted in the NBFC-MFIs having a level playing field with other lenders and started enjoying more flexibility in multiple aspects of Microfinance lending.

The revised guidelines in addition to uniform applicability, modified the 'Definition' of Microfinance and qualifying assets criteria for NBFC-MFIs. A microfinance loan is defined as a collateral-free loan, irrespective of end-use, given to a household having annual household income up to ₹3,00,000. The limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income shall be maximum 50 per cent. Under the new guidelines, the pricing of loans is de-regulated with a condition that it should not be usurious.

The definition of 'qualifying assets' of NBFC-MFIs is aligned with the definition of 'microfinance loans'. The minimum requirement of microfinance loans for NBFC-MFIs is 75 per cent of the total assets. Besides, other stipulations are also notified in the revised framework for Microfinance.

**Financial Inclusion**

India's Financial Inclusion Index has improved to 56.4 from 53.9 in the previous year 2021. The improvement has been seen across all its sub-indices (Access, Usage and Equality), as per RBI data.

**MFIs surpassing Banks in Micro Finance portfolio**

NBFC-MFIs known to be the specialized lending institutions among the categories of Microfinance lending have surpassed the Commercial Banks in the market share of outstanding loans during the Q2 of the fiscal, as per the SRO Sa-dhan report. The outstanding portfolio of NBFC-MFIs stood at 37.53% against the share of 36.18% held by Banks. NBFC-MFIs led the market share for the first time and maintained its position during the remaining period of the year.

**Company performance:**

Alike Industry constituents, the implementation of revised micro-finance guidelines, slowed down company's loan disbursements in the first two months on account of delay in availability of modified data from Credit information companies and customer on-boarding process realignment as per revised guidelines during transition phase. It resulted in muted loan disbursements and outstanding in the first quarter of the fiscal.

Mobile application for computation of eligibility as per revised microfinance framework was developed In-house and launched in July' 2022 towards ease of operations.

Regular Customer Training Programme (CTP) and Periodical Skill Training for members of SHG which got interrupted on account of COVID during the previous years, was resumed from July 2022 with enhanced training method and materials with food facility.

Non-micro finance loans were introduced during Aug' 2022 towards retaining the existing and long-standing customers who became in-eligible under revised microfinance framework during their subsequent loan cycles.

The business momentum accelerated from Q2 and full potential in credit disbursement seen during second half of the fiscal.

Expansion and Renovation of Branches saw good progress during the fiscal through opening of Nine new branches including 100<sup>th</sup> branch at Marthandam (Kanyakumari district) and a branch in the state of Kerala for the first time towards geographical diversification. Twenty existing branches were shifted and renovated to premises with better facilities and ambience.

Emphasis towards strengthening man-power are being continued to full extent. Training to all the employees was imparted towards the new microfinance regulations and implementation. Induction training to new employees was provided to impart knowledge about the Micro finance industry and the company. Around 200 were employees appointed through Campus interviews and lateral recruitments. Promotion process was initiated and various new staff welfare measures introduced besides enhancement of existing benefits provided during the fiscal towards retention and motivation of employees.

**Financials**

Company adopted the IND-As framework of accounting from the beginning of FY 2022-23 as the net-worth crossed the stipulated level of Rs. 250 crore as at end of previous fiscal. Accordingly, previous year financial statements are transited to IND-As figures for comparison and also Expected Credit Loss (ECL) method of provisioning norms are implemented during the fiscal.

In FY 2022-23, the total income stood at Rs. 177.76 crore against a sum of Rs. 162.49 crore for the previous fiscal. Profit after tax (PAT) was Rs. 46.23 crore during FY 2022-23 against a sum of Rs. 10.02 crore during the previous fiscal.

Company continues to maintain adequate Provisions towards its delinquent assets and the total Provisions to Stage 3 Assets (NPA) stood at 120%.

Four new lenders viz., Bajaj Finance, IDFC First Bank, ICICI Bank, Tata Capital Financial Services Ltd included during the Fiscal 2023, present lenders constituting Public Sector Banks, Private Sector Banks and NBFCs totalling highest ever 15 active lending institutions. At the end of the year 2022-23, Company was able to reach the milestone of Highest ever – (i) Business of Rs. 1087 crore; (ii) Branch network of 104; (iii) Employee base of ~800 (iv) Capital Adequacy of 30.71% and (v) Networth of Rs. 327 crore.

Company remains as affordable and accessible lender with lowest lending rate in the industry and one among the top 20 NBFC-MFIs in terms of Loan portfolio.

**Awards & Accolades**

Our Chairperson & Managing Director Smt. R.S. Isabella received Award for ‘Excellence in Women Empowerment’ from Hon’ble Governor of Tamilnadu on Aug 27, 2022 at Chennai.

Company stood as Co-Sponsor for the ‘South India Conference on Financial Inclusion 2023 with Theme: Microfinance and Inclusive Growth: South India Shows the Path’ at Chennai on Feb 22, 2022 organized by Sa-dhan, a Self-Regulatory Organization accredited by the Reserve Bank of India.

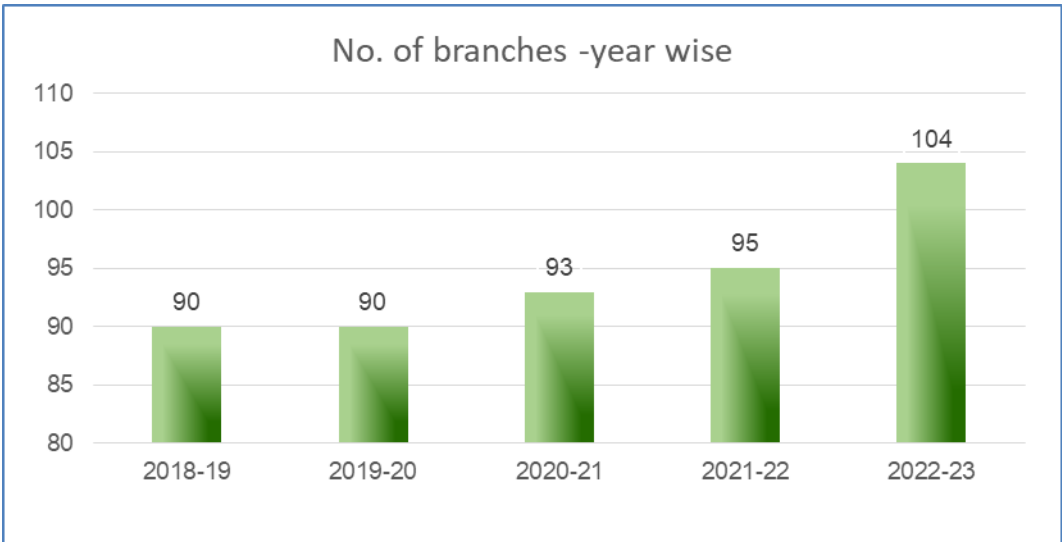
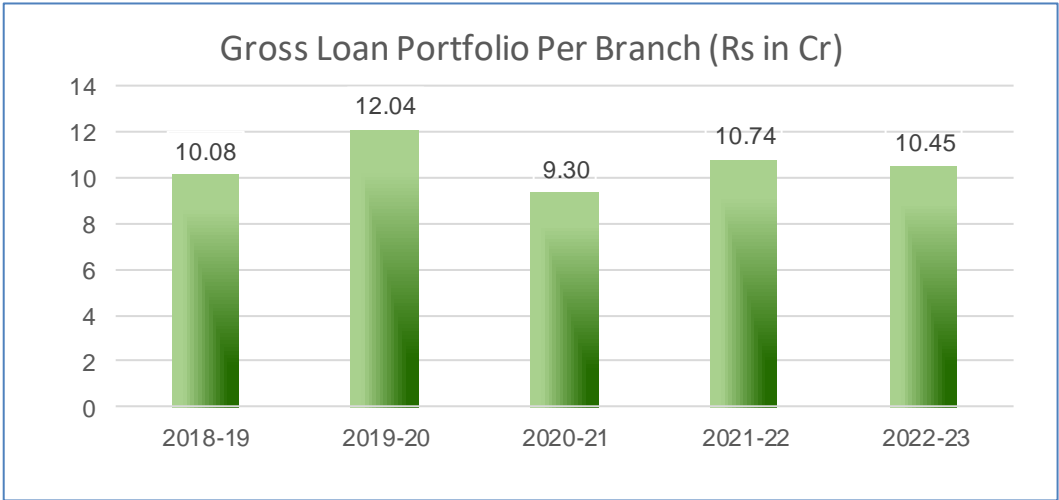
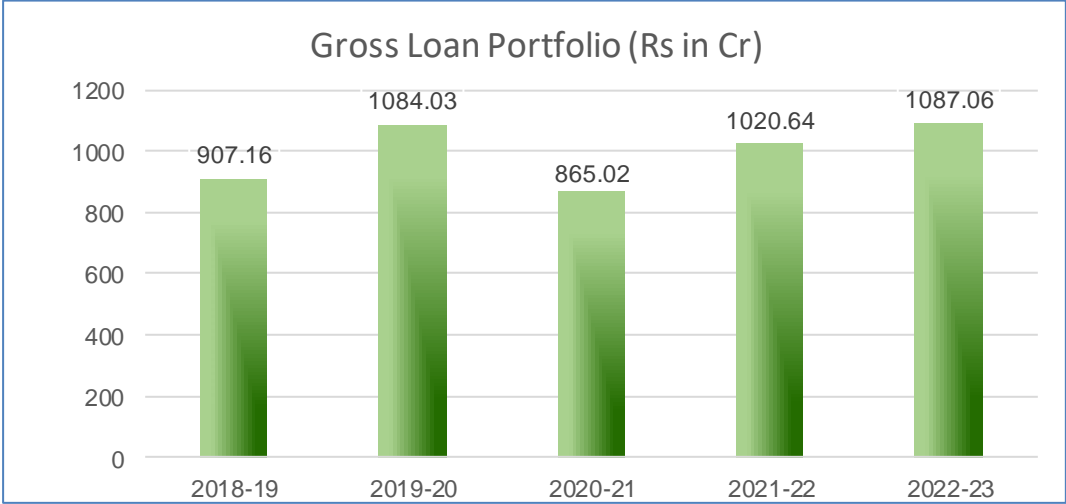
**Outlook – FY 2023-24:**

Micro Finance sector as a whole is poised for attractive growth and expected to see enhanced performance during the FY 2023-24. The earnings momentum is projected to remain strong through controlled credit cost and balanced interest rates towards borrowing and lending.

Company projects to reach the loan outstanding of Rs. 1300 crore with branch network of 115. Addition of higher number of new customers and expansion in other demographics of neighbouring states are part of objective to achieve during FY 2023-24.

**Operational Metrics**

The operational metrics of the Company during the last five years is graphically presented below:



## Analysis of Financial Performance

### Financial results

Your Company's Profit before tax for the FY 2022-23 was at Rs.61.24 Cr against Rs. 14.30 Cr in the FY 2021-22. Net Profit for the FY 2022-23 stood at Rs. 46.23 Cr against Rs. 10.02 Cr in the FY 2021-22.

### Position for the Fiscal ending March, 2023

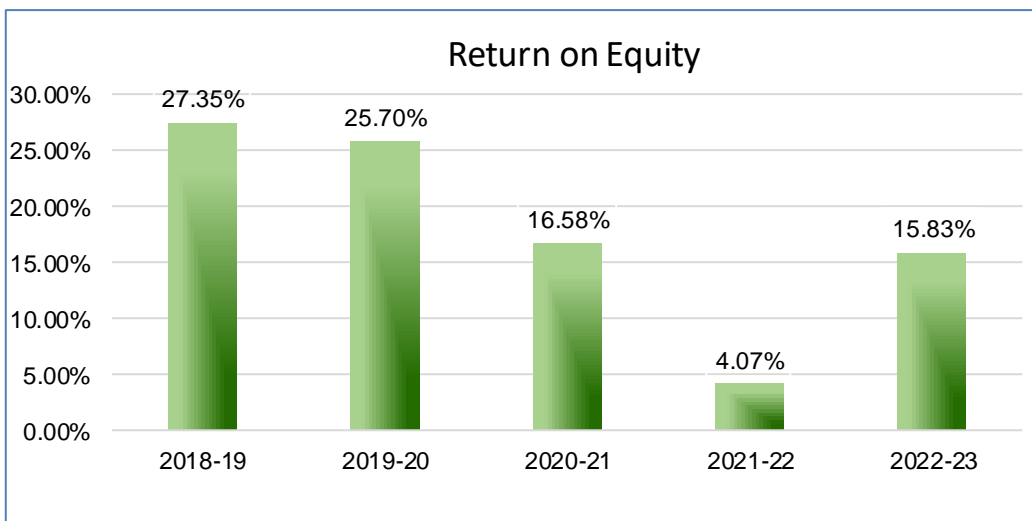
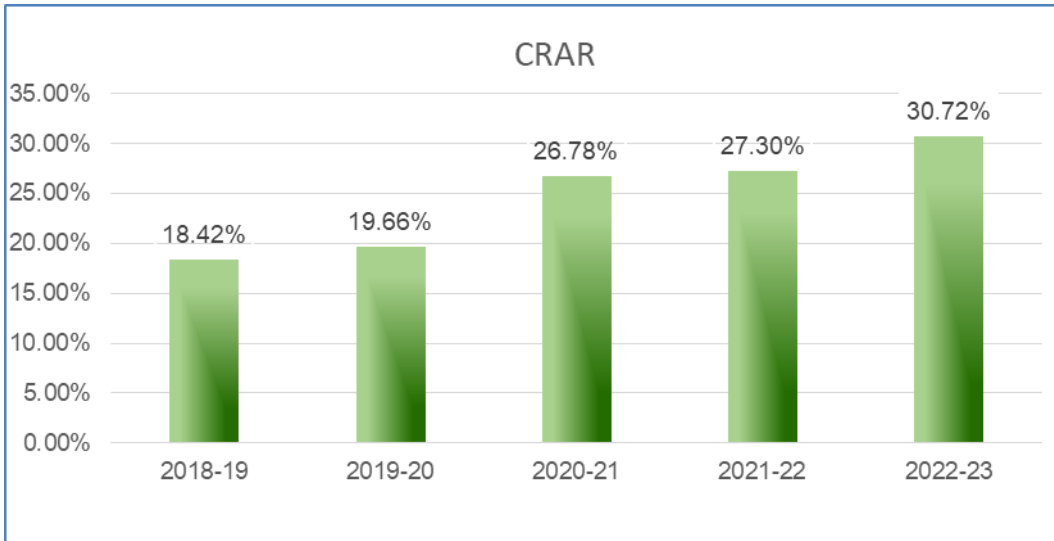
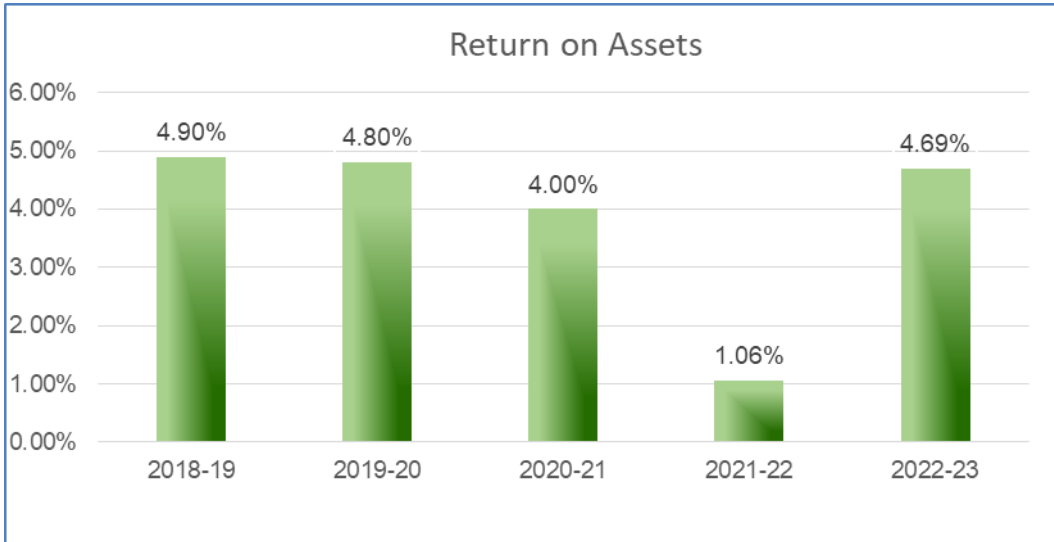
S.No.	Details	Amount (Rs.in Cr)
<b>Business Operations</b>		
1	Disbursement during the year	865.83
2	Gross loan portfolio (AUM) as at end of fiscal	1087.06
3	Revenue from operations during the year	177.76
<b>Solvency &amp; Liquidity</b>		
4	Networth as at end of fiscal	327.07
5	Capital Adequacy Ratio as at end of fiscal	30.72%
6	Cash & Cash Equivalent as at end of fiscal	5.13
<b>Efficiency</b>		
7	Effective cost of borrowing (average)	9.25%
8	Cost to income ratio	38.39%
9	Collection efficiency	97%
10	Net Interest Margin	11.32%

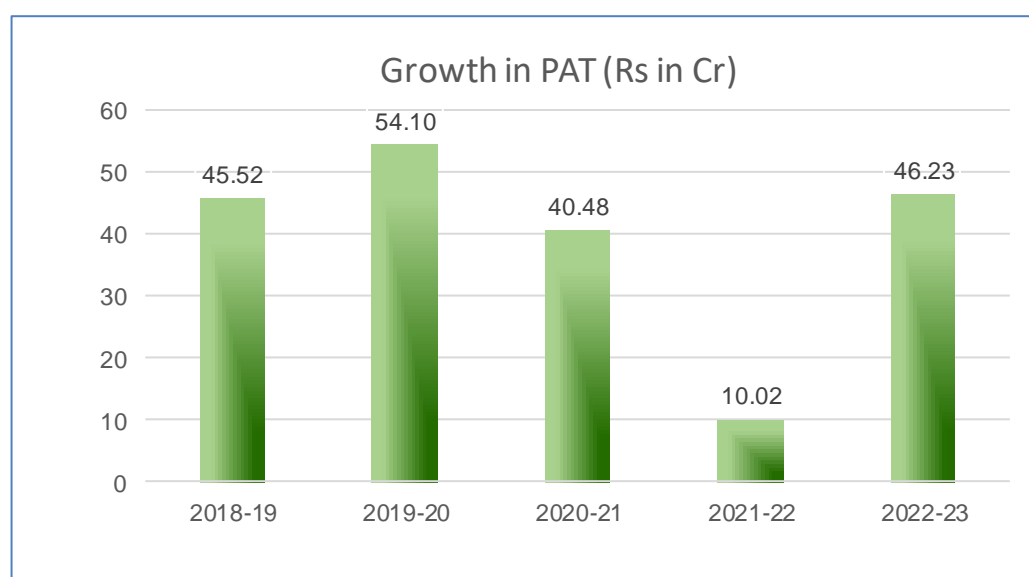
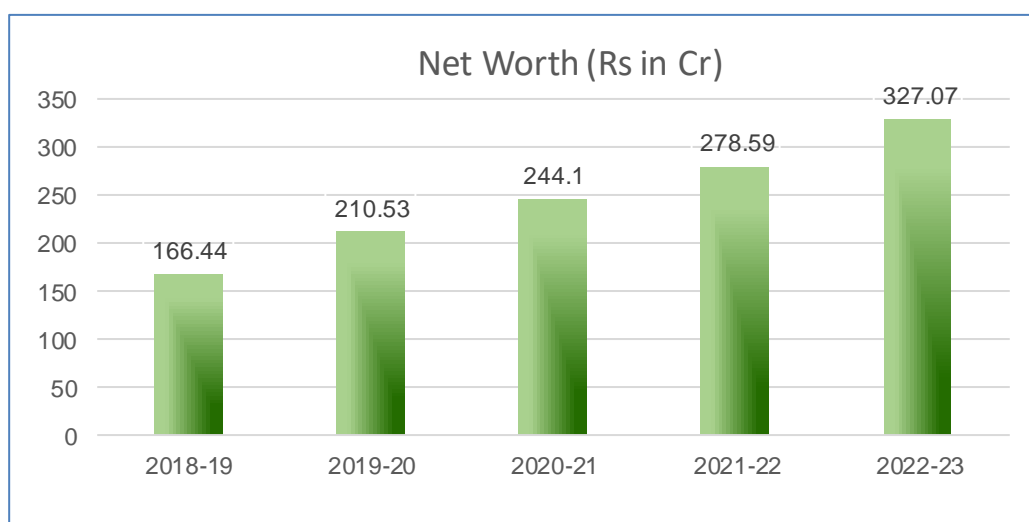
### Key Financial ratios are as below

Key Financial Ratios	FY 2022-23
CRAR	30.72%
Return on Assets	4.69%
Return on Equity	15.83%
Gross NPA	4.95%
Net NPA	1.21%
Debt equity ratio	2.20%



**Financial dashboard**





#### **Internal control systems and their adequacy.**

The Company has an internal control system, commensurate with the size, scale and nature of its operations. Testing of such systems forms a part of review by the Internal Audit function. The Internal Audit function monitors and evaluates the efficacy and adequacy of Internal Control system in the Company to ensure that financial reports are reliable, operations are effective and efficient and activities comply with the required policies and procedures. Based on the report, the concerned officials take corrective action, if any, in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Company from time to time.

#### **Material developments in Human Resources**

The Company has total manpower strength of 794 as on 31st March, 2023. Training programme for newly inducted staff, refresher training for existing employees are being conducted to impart knowledge and skill.

**Road Map for FY 2023-24**

Company plans to venture into its neighbouring States as part of its expansion. Aims to achieve Rs. 1,300 Crore assets under management during FY 2023-24 and increase the branch network above 115.

For and on behalf of the Board of Directors

**A.G. Venkatachalam**  
Whole-time Director

**R.S. Isabella**  
Chairperson & Managing Director

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have great pleasure in presenting the Sixteenth Annual Report of the company with audited accounts for the year ended March 31, 2023.

**FINANCIAL RESULTS AS PER IND-AS**

Particulars	Rs. In lakh	
	As at 31.03.2023 (INDAS)	As at 31.03.2022 (GAAP)
Operating Income	17717.62	15406.91
Other Income	58.52	842.53
Total Income	17776.44	16249.44
Finance Cost	5263.75	5811.45
Administration & Other Costs	7618.58	4037.95
Provision for Standard Assets	-	43.03
Provision for Non-Performing Assets	(1657.29)	4787.02
Depreciation	427.80	139.91
Profit before tax	6123.59	1430.09
Provision for tax and others	1379.89	1695.37
Deferred Tax Asset / (Liability)	120.51	1267.42
Profit after tax	4623.20	1002.14
CRAR	30.72%	27.30%

**First time adoption of Ind AS.**

The financial statements for year ended 31-03-2023 have been prepared in accordance with the Indian Accounting Standards (Ind AS), notified under Companies (Indian Accounting Standards) Rules, 2015, read with Section 133 of Companies Act, 2013, (the Act) and other relevant provisions of the Act.

**DIVIDEND**

Your directors recommend payment of dividend @ Re. 1 per equity share of face value of Rs.10 each for the year ended March 31, 2023. The dividend pay-out is subject to the approval of members at the ensuing AGM. The dividend will be paid to the members, whose names appear in the register of members as on the AGM date.

**CHANGE IN SHARE CAPITAL**

As on 31st March, 2023, the issued, subscribed and paid up share capital of your Company stood at Rs. 99,20,00,000/- comprising 9,92,00,000 Equity shares of Rs. 10 each.

**OPERATIONAL HIGHLIGHTS**

Your Company implemented the revised Micro Finance Regulations - 'Master Direction – Reserve Bank of India (Regulatory Framework for Micro Finance Loans) Directions, 2022 – March 14, 2022 with effect from 1st April' 2022.

Non-Micro finance loans was introduced with effect from 1st August 2022 to retain the long-standing customers.

The summary of operational highlights is as under

Particulars	As at 31.03.2023	As at 31.03.2022
Number of branches	104	95
Number of customers	285439	333499
Number of employees	794	710
Amount disbursed (Rs.in Cr.)	865.83	813.44
Gross loan portfolio (Rs. In Cr.)	1087.06	1020.64

During the year the company has achieved the following operational milestones.

- Nine New Branches were opened during the FY 2022-23 at 1) Keeranur, 2) Thiruverumbur, 3) Sankarankovil, 4) Ambasamudram, 5) Marthandam, 6) Palladam, 7) Korukkupet, 8) Ulundurpet and 9) Palakkad - Kerala (for the first time).
- Total branch network crossed the milestone of 100 and stood at 104 branches.
- Business has reached highest level and stood at Rs. 1087 crore as at end of Fiscal 2023.
- Net-worth crossed the milestone of Rs. 300 crore during the year and stood at Rs. 327 crore as at end of FY 2022-23.
- Four new lenders viz., Bajaj Finance, IDFC First Bank, ICICI Bank, Tata Capital Financial Services Ltd have funded during the Fiscal 2023,

#### **LOAN ASSETS & DISBURSEMENT:**

As at March 31, 2023, the loan assets stood at Rs. 1087.06 Crore. The total loan disbursement during the year was Rs. 865.83 Crore.

#### **BORROWING FROM BANKS**

During this fiscal, RMFL received fresh Term loan sanctions from Banks & NBFCs amounting to Rs. 325 Crore. The outstanding term loans and overdraft from banks, as at March 31, 2023 were Rs.581.48 Crore and 139.54 Crore respectively.

#### **DEPOSIT:**

During the year, your Company has not accepted any deposit within the meaning of Section 76 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

#### **TRANSFER TO RESERVES**

As required under Section 45-IC of RBI Act, 1934, an amount equivalent to 20% of the profit after tax has been transferred to the Statutory Reserve account.

#### **COMPLIANCE WITH RBI GUIDELINES / DIRECTIONS:**

Reserve Bank of India (RBI) has granted the Certificate of Registration to the Company in 2010 vide Registration no. N-07-00780 to commence the business of a Non-Banking Financial Institution without accepting public deposits. The Company was converted into an NBFC-MFI with effect from December 2013. Your Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI). Your Company has



complied with and continues to comply with all the applicable regulations and directions of RBI.

### **ANNUAL RETURN**

In accordance with the Companies Act, 2013, the annual return in the prescribed format is placed on the Company's website and can be accessed at <https://www.repcomicrofin.co.in>.

### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

All transactions entered by the Company with related parties were in the ordinary course of business and at arm's length pricing basis.

The policy on related party transactions as approved by the Board is provided in the Company's website under the tab Company policies.

Transactions with the related parties are disclosed under the head "Related Party Disclosure" as set out in Note. 33 to the Financial Statements forming part of Annual report.

### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has put in place an adequate internal control system to safeguard all assets and ensure operational efficiency. The Company also has an Internal Auditor which was carried out by Independent Chartered Accountant firm, conducting comprehensive audits of functional areas and operations of the Company to examine the adequacy and compliance with policies and statutory requirements. Any significant observations from the audit are reported to the Audit Committee and follow up actions are taken accordingly.

A team of inspection officials has been deputed to visit the branches on regular intervals to have an effective control over the working of branches and observations are reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Company's Internal control environment and monitors the implementation of audit recommendations.

### **RISK MANAGEMENT:**

The Company has in place the mechanism to assess, monitor & mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

### **PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS:**

The Company has not made any Investments, given any loans or guarantees covered under provisions of section 186 of the Companies Act, 2013.

### **PARTICULARS OF EMPLOYEES:**

The provisions of Section 197 (12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company. The said provisions are applicable to listed company.

### **CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:**

The Company does not have any activity relating to conservation of energy and technological absorption and does not own any manufacturing facility. Hence, the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Section 134 of the Companies Act, 2013 and the Rules framed thereunder is not applicable.

**FOREIGN EXCHANGE EARNINGS AND OUT-GO:**

During the period under review there was no foreign exchange earnings or out flow.

**HUMAN RESOURCES:**

Attracting, enabling and retaining talent have been the cornerstone of the Human Resource function and the results underscore the important role that human capital plays in critical strategic activities such as growth.

Consistent pursuit to connect with staff on a regular basis, communicate in an open and transparent manner are yielding desired results.

This is evident from the high retention rates and improved engagement levels of the associates. Attrition in FY 2022-23 was 21.51% percent for overall Company.

The number of employees as on 31 March, 2023 was 794 and out of which women employees account for 55% and thus women empowerment continues at RMFL.

**VIGIL MECHANISM / WHISTLE BLOWER**

The Company in pursuance to sub section 9 of Section 177 of the Companies Act, 2013 has framed Vigil Mechanism / Whistle Blower policy for directors and employees to report genuine concerns about unethical behaviour, actual or suspected frauds and to provide safeguard against victimization of persons who use vigil mechanism.

**REPORT ON CORPORATE GOVERNANCE**

In accordance with Section II of RBI circular dated 19<sup>th</sup> April, 2022 non-listed NBFCs should make full disclosure of the corporate governance section in the annual report with effect from 31-03-2023. Accordingly, the report on corporate governance containing the composition of Board of Directors, Change in Directors & Key Managerial Personnel and composition of various committees are presented in a separate section under the head Corporate Governance which is attached as Annexure-I and forms part of this Report.

**EVALUATION OF BOARD, COMMITTEES & INDEPENDENT DIRECTORS**

The Board of Directors had carried out an annual evaluation of its own performance, Committees and Individual Directors pursuant to the provisions of Section 134 of the Companies Act, 2013. The performance evaluation was done taking into account the criteria laid down by the Nomination and Remuneration Committee such as i) rendering independent, unbiased opinion and resolution of issues at meetings, ii) initiative in terms of new ideas and planning for the company, iii) timely inputs on the minutes of meetings of the Board and Committee, iv) Professional Skills, problem solving and decision making, etc.

**DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS**

The Company has received necessary declarations of independence from each of its Independent Directors under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of Independent Director as envisaged in Section 149 (6) of the Companies Act, 2013. All Independent Directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Act, stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and are not disqualified from continuing as Independent Directors.

The Company has also received undertaking and declaration from each director on fit and proper criteria in terms of the provisions of Corporate Governance (Reserve Bank) Directions, 2015.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

Pursuant to the provisions of section 135 and Schedule VII of the Companies Act, 2013, CSR Committee has been constituted. The said committee has recommended and the Board has approved a policy on Corporate Social Responsibility (CSR), which can be accessed in the link <https://www.repcomicrofin.co.in> → Company Policies.

The detailed report on CSR is attached as Annexure II.

### **REMUNERATION POLICY:**

The Company has a policy in place relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under section 178(3) of the Companies Act, 2013 and the aforesaid policy is available in the weblink <https://www.repcomicrofin.co.in> - > Company policies.

### **DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement: -

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

### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary, Joint Venture, or Associate Company.

### **STATUTORY AUDITOR:**

M/s. Rajagopal & Badri Narayanan, Chartered Accountants, Chennai (Firm Registration No. 003024S), were appointed as the Statutory Auditor of the Company at the 14<sup>th</sup> Annual

General Meeting held on September 15, 2021 to hold office for a period of three years till the conclusion of the Annual General Meeting of the Company to be held for the year 2024.

Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated 27 April, 2021, mandates that every company has to appoint the SCAs/SAs for a continuous period of three years, subject to the firm satisfying the eligibility norms each year.

To confirm M/s. Rajagopal & Badri Narayanan, Chartered Accountants, Chennai are satisfying the eligibility norms for the year 2023-2024, the certificate received from auditors as per Form B prescribed in the above guidelines and consent letter in compliance with the provisions of Section 141 of the Companies Act, 2013 was reviewed by the Audit Committee and the board.

There are no qualifications or adverse remarks in the Auditor's Report, which require any clarification / explanation.

#### **SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Shri. A. Ramanathan & Company, Practicing Company Secretary to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report obtained from Shri. A. Ramanathan & Company, Practicing Company Secretary is attached as Annexure-III and forms part of this Report.

There are no qualifications or adverse remarks in the Secretarial Auditor's Report, which require any clarification / explanation.

#### **MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN 31<sup>ST</sup> MARCH AND THE DATE OF BOARD'S REPORT :**

No material changes and commitments have occurred affecting the financial position of the Company after March 31, 2023 until the date of this Report.

#### **PENALTY**

No penalty has been paid to any statutory bodies during the period under review.

#### **DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has constituted Internal Complaints Committee in line with the requirement of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The following is a summary of sexual harassment complaints received and disposed of during the year 2022-2023.

No of complaints received: Nil

No of complaints disposed of: Nil

**CREDIT RATING AND MICRO FINANCE GRADING**

The Grading & Credit Rating obtained from the Rating agencies as on 31-03-2023 is given below:

<b>Rating Agency</b>	<b>Instrument</b>	<b>Rating</b>	<b>Limit in Rs. Cr.</b>
CARE	Long term Bank Facilities	BBB +	400.00
ICRA	Long term Bank Facilities	BBB	300.00
CARE	MFI Grading	MFI 2 (3 <sup>rd</sup> highest grading on an eight point scale)	NA

**DISCLOSURE AND TRANSPARENCY**

At regular intervals, Board of Directors of the Company discuss, review and decide upon matters related to policy formulations, appraisal of performances, overall supervision and control of your company.

Board of Directors of your company have also delegated various powers to Managing Director and Whole-time Director, who monitor the day-to-day activities of your company. Notice and Agenda setting out the business to be transacted are being sent to Directors in advance by complying to necessary regulations in this regard.

**ACKNOWLEDGMENT**

Your Directors wish to place on record their sincere appreciation for the encouragement and co-operation received by the Company from Repco Bank, Repco Home Finance Limited, RBI, Sa-Dhan, Bankers, Stakeholders, Customers' and its Employees' during the year.

**For and on behalf of the Board of Directors**

For Repco Micro Finance Limited

**Sri. A G Venkatachalam**  
**Whole Time Director**  
**DIN- 05289154**

**Smt. R. S. Isabella**  
**Chairman & Managing Director**  
**DIN- 06871120**

## ANNEXURE-I

**REPORT ON CORPORATE GOVERNANCE****1) CORPORATE GOVERNANCE PHILOSOPHY**

At Repco Micro Finance Limited (RMFL / 'the Company') we believe that sound governance practices are the bedrock for the functioning of the Company and for creation of value of its stakeholders on a sustainable and long term basis. This philosophy guides us in maintaining an ethical framework within which we operate.

**2) BOARD OF DIRECTORS**

The Board holds a fiduciary position and is entrusted with the responsibility to act in the best interests of the Company and ensure value creation for all, through the Governance mechanism in the Company. The Board along with its committees assumes its responsibilities towards all its stakeholders by ensuring transparency, impartiality, and independence in its decision making.

The Board of Directors is required to look after the functioning of the company and that of its management and ensures that every decision taken is in the best interest of the stakeholders of the Company.

The Board monitors and approves the annual business plans & strategies and various policies of the company. It also reviews the operational and financial performance of the company. The Board ensures the integrity of the financial reporting system, financial & internal control, risk management, and compliance with the applicable laws. The day-to-day management of the affairs done by Senior Management of the company, which includes Managing Director, Whole-time Director, and functional heads, who function under overall supervision and guidance of Board of Directors.

**2.1. Composition of the Board**

During the financial year 2022-23 Board met 4 (Four) times on 16 May, 2022, 05 August, 2022, 29 October, 2022, and 06 February, 2023 respectively. The details of the constitution and meetings of the Board and the various Committees held during the year are given below.

The company has complied with the applicable Secretarial Standards, viz., SS-1 and SS-2, as issued by the Institute of Company Secretaries of India, from time to time.

Attendance of each Director at Board Meetings held during FY 2022-2023 and at the 15<sup>th</sup> Annual General Meeting (AGM) is detailed below:

Sl. No	Name of Director	Director Since	Capacity#	DIN	Number of Meetings		
					Board		AGM 15-09-22
					Held	Attended	Attended
1.	Smt. R. S. Isabella	11-08-2015	Chairperson & Managing Director	06871120	4	4	Present
2.	Shri. C Thangaraju	16-05-2022	Non-Executive & Non-Independent	00223383	4	4	Present
3	Shri. K. Swaminathan	16-05-2022	Nominee Director	06485385	4	4	Present
4	Shri. V. Dasaraty	08-08-2018	Independent Director	08190101	4	2	Present
5	Shri. S. Nagoor Ali Jinnah	29-09-2020	Independent Director	05238633	4	4	Present
6	Shri. Ramachandran Balachandran	29-09-2020	Independent Director	01648200	4	3	Present
7	Shri. S. T. Kannan	06-02-2023	Additional Director	00277899	NA	NA	NA
8	Shri. R. Suresh	06-02-2023	Additional Director	09099261	NA	NA	NA
9	Shri. A.G. Venkatachalam	01-04-2021	Whole Time Director	05289154	4	4	Present
# (i.e. Executive/ Non- Executive/ Chairman/ Promoter nominee/ Independent)							

Sl. No	Name of Director	No. of Directorship including RMFL	Remuneration			No. of shares #
			Salary & other compensation	Sitting Fee (In Rs.)	Commission	
1.	Smt. R. S. Isabella	3	2.46 Lakh	Nil	Nil	20
2.	Shri. C Thangaraju	2	Nil	65,000	Nil	Nil
3	Shri K. Swaminathan*	2	Nil	75,000	Nil	Nil
4	Shri.V. Dasaraty	1	Nil	40,000	Nil	Nil
5	Shri.S. Nagoor Ali Jinnah	1	Nil	80,000	Nil	Nil
6	Shri. Ramachandran Balachandran	3	Nil	65,000	Nil	Nil
7	Shri. S. T. Kannan	-	Nil	Nil	Nil	Nil
8	Shri. R. Suresh	-	Nil	Nil	Nil	Nil
9	Shri. A.G. Venkatachalam	2	35.82 Lakh	Nil	Nil	10
# No. of shares held in and convertible instruments held in the NBFC						
* Sitting fee paid by the company directly to RHFL being nominee director.						

The Independent Directors of the company have given their declaration that they meet the criteria of Independence as prescribed under Section 149(6) and the rules made thereunder and Schedule IV of the Companies Act, 2013. The Company has also received undertaking and declaration from each director on fit and proper criteria in terms of the provisions of Corporate Governance (Reserve Bank) Directions, 2015.

As per Master Direction DNBR. PD. 008/03.10.119/2016-17 dated Sept 01, 2016, and updated thereof from time to time, all the Fit and Proper criteria in the appointment of Directors were duly followed by the Board of Directors.

## 2.2. Changes in directorship:

Details of change in composition of the Board during the current and previous financial years are given below.

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
<b>Change in Directors during the previous year 2021-2022</b>				
1.	Shri.Yashpal Gupta	Nominee Director	Resignation	02-01-2022
2.	Shri.P.Mahalingam	Non-Executive & Non-Independent	Resignation	16-03-2022
<b>Change in directors during the current year 2022-2023.</b>				
1.	Shri. C Thangaraju	Non-Executive & Non- Independent	Appointment	16-05-2022
2.	Shri K. Swaminathan	Nominee Director	Appointment	16-05-2022
3.	Smt.R.S.Isabella	Chairperson & Managing Director	Change in designation	15-09-2022
4.	Shri. S. T. Kannan	Additional Director	Appointment	06-02-2023
5.	Shri. R. Suresh	Additional Director	Appointment	06-02-2023

There are no resignations from independent directors before expiry of her/ his term during the current period.

There are no relationship amongst the directors *inter-se* which are required to be disclosed.

## 2.3. Appointment/Re-appointment of directors approved by the Board / Shareholders during the period.

In the Annual general meeting held on September 15, 2022, the Shareholders have approved the appointment / re-appointment of the following directors.

- i) Shri. C Thangaraju was appointed as Additional Director and subsequently designated as Director w.e.f 15<sup>th</sup> September, 2022.
- ii) Shri K. Swaminathan was appointed as Additional Director and subsequently designated as Nominee Director w.e.f 15<sup>th</sup> September, 2022.
- iii) Designation of Smt. R. S Isabella was changed from Managing Director to Chairperson & Managing Director w.e.f 15<sup>th</sup> September, 2022.

## 2.4. Changes in Key Managerial Personnel:

There is no change in Key Managerial Personnel during the Financial Year.

## 2.5. Committees of the Board and its composition.

Presently the Board has six (6) Committees viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Information Technology Strategy Committee, Asset Liability Committee and Risk Management Committee. The Board delegates power to these Committees from time to time. These committees constituted by the Board would carry out their functions as per the specific terms of reference.



None of the Directors hold office in more than ten Public Companies in terms of Section 165 of Companies Act, 2013.

### Audit Committee

The powers, role and terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and Reserve Bank of India Regulations and majority of the members of the Committee are Independent Directors.

#### Terms of reference of the Audit Committee include:

- i) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii) Examination of the financial statement and the auditors' report thereon;
- iv) Approval or any subsequent modification of transactions of the company with related parties;
- v) scrutiny of inter-corporate loans and investments;
- vi) Valuation of undertakings or assets of the company, wherever it is necessary;
- vii) Evaluation of internal financial controls and risk management systems;
- viii) Monitoring the end use of funds raised through public offers and related matters, and
- ix) To oversee the vigil mechanism.
- x) The Audit Committee must ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the NBFCs.
- xi) To frame / review the scope of Internal Audit

During the year the Audit Committee had met four times on 16 May, 2022, 05 August, 2022, 29 October, 2022, and 06 February, 2023 respectively.

The composition and attendance of each Director at the Audit Committee Meeting is given below.

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Shri.V.Dasaraty	07-08-2018	Independent Director and Chairperson of the committee	4	2	Nil
2.	Shri. Ramachandran Balachandran	22-10-2020	Independent Director	4	3	Nil
3.	Smt.R.S.Isabella	Ceased to be a member w.e.f 16-05-2022	Executive Director (Managing Director) and Chairman of the Company	1	1	20 shares on behalf of Repco Bank.
4.	Shri. S. Nagoor Ali Jinnah	16-05-2022	Independent Director	3	3	Nil
5.	Shri. K Swaminathan	16-05-2022	Nominee Director	3	3	Nil

The Board of Directors had accepted all the recommendations provided by the Committee.

### **Nomination and Remuneration Committee (NRC)**

The Nomination and Remuneration Committee of the Board of Directors was constituted as per requirement of Section 178 of the Companies Act, 2013 and Reserve Bank of India Regulations with half of the members are Independent Directors.

Terms of reference of the Nomination and Remuneration Committee include:

- i) Identify the persons who can become directors;
- ii) To ensure 'fit and proper' status and credentials of proposed/existing directors;
- iii) Formulate the criteria for determining the qualifications, positive attributes etc. and independence of a director;
- iv) Recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel, for the approval of the Board.

During the year the Nomination and Remuneration Committee had met twice on 16 May 2022 and 06 February 2023 respectively.

The Composition and attendance of each Director at the Nomination and Remuneration Committee Meeting is given below

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Shri. S. Nagoor Ali Jinnah	22-10-2020	Independent Director and Chairperson of the committee	2	2	Nil
2.	Shri.V.Dasaraty	Ceased to be member w.e.f. 16-05-2022	Independent Director	1	1	Nil
3	Shri. Ramachandran Balachandran	16-05-2022	Independent Director	2	1	Nil
4	Smt.R.S.Isabella	31-01-2022	Executive Director (Managing Director) and Chairman of the Company	2	2	20 shares on behalf of Repco Bank.
5	Shri. C. Thangaraju	16-05-2022	Non-Executive Director	1	1	Nil

The Board of Directors had accepted all the recommendations provided by the Committee.

### **Corporate Social Responsibility Committee**

Corporate Social Responsibility (CSR) Committee is constituted as per Section 135 of the Companies Act 2013. The CSR Committee monitors the overall CSR Activities of the Company. It provides guidance on various areas where CSR activities can be carried out.

During the year the CSR Committee had met thrice on 16 May 2022, 05 August 2022, and 06 February, 2023.

The composition and attendance of each Director at the CSR Committee Meeting is given below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Smt.R.S.Isabella	11-08-2015	Executive Director (Managing Director) and Chairman of the committee	3	3	20 shares on behalf of Repco Bank.
2.	Shri. S. Nagoor Ali Jinnah	22-10-2020	Independent Director	3	3	Nil
3.	Shri. C. Thangaraju	16-05-2022	Non-Executive Director	2	2	Nil
4.	Shri. A.G. Venkatachalam	30-03-2022	Executive Director (Whole Time Director)	3	3	10 shares on behalf of Repco Bank.

### Information Technology Strategy Committee

The Information Technology Strategy Committee was constituted on 26<sup>th</sup> March, 2018 as per Master Direction DNBS.PPD.No.04/66.15.001/2016-17 dated June 08, 2017.

#### Terms of reference of Information Technology Strategy Committee include:

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

During the year, the IT Strategy Committee Meeting had met twice times on 15 June 2022 and 07 December 2022 respectively.

The composition and attendance of each Director / Member at the IT Strategy Committee Meeting is given below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Shri. Ramachandran Balachandran	22-10-2020	Independent Director and Chairperson of the committee	2	2	Nil

2.	Shri. A.G. Venkatachalam	01-04-2021	Executive Director (Whole Time Director)	2	2	Nil
3.	Shri. K Swaminathan	16-05-2022	Nominee director	2	2	Nil
4.	Shri. S. Shenbagaraj	21-10-2020	Chief Technology Officer	2	2	Nil

### Asset Liability Management Committee

The Asset Liability Management Committee (ALMC) of the Board of Directors was constituted as per the requirement of Reserve Bank of India Regulations.

The ALMC reviews the following:

- i) Addressing concerns regarding asset liability mismatches
- ii) Addressing concerns regarding interest rate exposures
- iii) Statement of short term dynamic liquidity, structural liquidity and interest rate sensitivity

The Committee met two times during the year on 05 August 2022 and 06 February 2023 and all the members were present during the meeting.

The composition and attendance of each Director at the Asset Liability Management Committee meeting is given below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Shri. C. Thangaraju	16-05-2022	Non-Executive Director and Chairperson of the committee	2	2	Nil
2.	Smt.R.S.Isabella	30-05-2017	Executive Director (Managing Director) and Chairman of the Company	2	2	20 shares on behalf of Repco Bank.
3.	Shri. Ramachandran Balachandran	23-03-2021	Independent Director	2	1	Nil
4.	Shri. A.G. Venkatachalam	01-04-2021	Executive Director (Whole Time Director)	2	2	10 shares on behalf of Repco Bank.

### Risk Management Committee

The Risk Management Committee (RMC) of the Board of Directors was constituted as per the requirement of Reserve Bank of India Regulations.

The Terms of reference of the RMC include:

- i) To ensure that all the risk associated with the functioning of the Company are identified, controlled and mitigated;
- ii) To lay down procedures regarding managing and mitigating the risk through Integrated Risk Management Systems, Strategies and Mechanisms ;
- iii) To deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process ;
- iv) To ensure that all the risk associated with the functioning of the Company are identified, controlled and mitigated;

- v) Identifying, measuring and monitoring the various risk faced by the Company, assist in developing the Policies and verifying the Models that are used for risk measurement from time to time;
- vi) To monitor the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC;
- vii) To have oversight over implementation of risk and other policies including Anti Money Laundering and KYC (Know your Customer) Policies.

The Committee met twice during the year on 05 August 2022 and 06 February 2023 and all the members were present during the meeting.

The composition and attendance of each Director at the Risk Management Committee Meeting is given below:

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Shri. K Swaminathan	16-05-2022	Nominee Director and Chairperson of the committee	2	2	Nil
2.	Smt.R.S.Isabella	30-05-2017	Executive Director (Managing Director) and Chairman of the Company	2	2	20 shares on behalf of Repco Bank.
3	Shri V Dasaraty	30-03-2022	Independent Director	2	1	
4.	Shri. A.G. Venkatachalam	01-04-2021	Executive Director (Whole Time Director)	2	2	10 shares on behalf of Repco Bank.

## 2.6. General Body Meetings

Details of the date, place and special resolutions passed at the General Body Meetings during the year 2022-2023.

Sl. No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place
1.	15 <sup>th</sup> Annual General Meeting	15-09-2022 Karumuttu Centre, Chennai
<b>Special resolutions Passed</b>		
	1. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013. 2. Change in capital clause of Memorandum of Association. 3. Alteration of Memorandum of Association, to make it in line with the provisions of Companies Act, 2013: 4. To consider enhancing the borrowing power limits of the Board of Directors to Rs. 1200 Crores from the present limit of Rs.750 Crores.	

	5. To consider creation of security on the assets of the Company, both present and future, in favour of lenders under section 180(1)(a) of the Companies Act, 2013.
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2.7. Details of non-compliance with requirements of Companies Act, 2013

There is no default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

2.8. Details of penalties and strictures

There are no penalties or stricture imposed on it by the Reserve Bank of India or any other statutory authority.

2.9. Additional items as per Sl. No. f of Scale Based regulation dated 22-10-2021.

- a) Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualification.

There is no qualification/observations/modified opinion expressed by auditors in their report.

- b) Items of income and expenditure of exceptional nature.- Nil

- c) Breach of covenant

Refer Note No. 46 of financial statement.

- d) Divergence in Asset Classification and Provisioning - Nil

## ANNEXURE-II

**Annual Report on Corporate Social Responsibility (CSR) FY 2022-2023.**

1. Brief outline on CSR Policy of the Company.
  - The present CSR policy sets forth the approach of the Company in allotting the CSR amount to the thrust areas which are defined in the policy with more weightage given to Health care and Education.
  - Under each thrust area as much as activities are included to give a wider scope
  - Mode of execution, executing agency and criteria for identifying the executing agency are defined.
  - Term of the project is defined as short and long term and if it is for a long term the requirement of programme objectives, implementation schedules, timelines for milestones of the programme etc. are outlined
  - Formation of CSR implementation committee to monitor the progress of CSR programmes and report on a monthly basis
  - The manner of treating the unspent amount in case of ongoing projects and in other case is included.
  
2. Composition of CSR Committee:

S.No.	Name of Director	Designation Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Smt. R.S. Isabella Chairman	Chairman & Managing Director	3	3
2.	Shri. C Thangaraju*	Director	2	2
3.	Shri. S. Nagoor Ali Jinnah	Independent Director	3	3
4.	Shri. A.G. Venkatachalam	Whole Time Director	3	3

\* Member of the committee with effect from 16-05-2022.

3. Provide the web-link where Composition of CSR committee, and CSR Policy approved by the board are disclosed on the website of the company.  
 CSR Committee - [www.repcomicrofin.co.in](http://www.repcomicrofin.co.in) --> Corporate --> corporate governance  
 CSR Policy - [www.repcomicrofin.co.in](http://www.repcomicrofin.co.in) --> Company policies --> CSR policy.
  
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable – Not Applicable.
  
5. CSR Obligations
  - (a) Average net profit of the company as per section 135(5). – Rs. 47,44,59,624 /-
  - (b) Two percent of average net profit of the company as per section 135(5)- Rs. 94,89,192/-
  - (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – Nil

- (d) Amount required to be set off for the financial year, if any - Nil  
 (e) Total CSR obligation for the financial year (5b+5c-5d) – Rs. 94,89,192/-

6. Details of amount spent or unspent

- (a) Amount spent on CSR projects is to the tune of Rs. 94,92,286/-. Details of amount spent, project details and the CSR activities are provided in **Annexure- I**  
 (b) Amount spent on Administrative Overheads – Nil  
 (c) Amount spent on Impact Assessment, if applicable - Not Applicable  
 (d) Total amount spent for the Financial Year (a+b+c) - Rs. 94,92,286/-.

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the FY (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 94,92,286/-	Nil	NA	NA	Nil	NA

- (f) Excess amount for set off, if any - Nil

7. Unspent.

- (a) Details of Unspent CSR amount for the preceding three financial years:- Nil.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: ~~Yes~~ / No

If Yes, enter the number of Capital assets created/ acquired – NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year - Nil

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - **Nil**

Chief Financial Officer

Whole-time Director

Managing Director  
Chairman of CSR Committee



Annexure - I									
(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Education Aid & Medical Aid to Repatriates	Promoting Health care & Education	No	Tamil Nadu	Across Tamilnadu, Kerala, Karnataka	40,00,000	No	Repatriate Welfare Trust	CSR00014376
2.	Fully Automatic Hematology Analyzer machine, T. Nagar	Healthcare	Yes	Tamil Nadu	Chennai	3,42,200	No	RMD Pain & Palliative Care Trust	CSR00000406
3.	Environmental sustainability projects such as Garbology, Kitchen Garden, Composting & Wealth from waste at Vallakottai	Environmental sustainability	Yes	Tamil Nadu	Chennai	3,07,000	No	World Heritage Trust	CSR00000069
4.	Renovation of school building, and handed over bench desk & furniture's to Government Primary School, Kullampatti, Sankakiri, Onriyam, Salem	Infrastructure	Yes	Tamil Nadu	Salem	6,05,000	Yes	Nil	Nil
5.	Veterinary Science training program at Thinnakonam Village, Musiri,	Animal Husbandry	Yes	Tamil Nadu	Tiruchirappalli	85,000	Yes	Nil	Nil
6.	Stainless steel shed and Kitchen equipment's, Krishna Nagar	Infrastructure	No	Puducherry	Lawspet	3,00,000	No	JAL	CSR00037889

7.	Generator Set to St. Louis Institute for the Deaf and the Blind, Adyar	Infrastructure	Yes	Tamil Nadu	Chennai	4,68,153	Yes	Nil	Nil
8.	Mini Ambulance to old age home at Courtallam, Tenkasi	Healthcare	Yes	Tamil Nadu	Tenkasi	9,43,107	No	Athencottasan Muthamizh Kashagam	CSR00033120
9.	Hearing Aid to underprivileged children and senior citizen, Court Road,	Healthcare	Yes	Tamil Nadu	Thiruppur	8,88,750	Yes	Nil	Nil
10.	Comprehensive Health Camp at Korukkupet, in collaboration with M/s. Aura Wellness "The Holistic way Center" Chennai	Healthcare	Yes	Tamil Nadu	Chennai	91,326	Yes	Nil	Nil
11.	Solar power plant and tiles flooring at "Our Lady of the Poor Charitable Trust" institution named as " ANBU ILLAM" Nattamangalam P.O	Infrastructure	Yes	Tamil Nadu	Salem	6,00,000	Yes	Nil	Nil
12	Toilet for plantation workers Sullia Rubber field at Aaleti Village,	Infrastructure	No	Karnataka	Dakshin Kannad	1,25,000	Yes	Nil	Nil
13	Breast Cancer Screening for General Public in collaboration with Dr. Rajarathnam Medical and Educational Foundation Trust (M/s. Lifeline Multi Speciality Hospitals and M/s. Healia Diagnostics), Kilpauk,	Healthcare	Yes	Tamil Nadu	Chennai	3,99,750	Yes	Nil	Nil
14	Awareness programme / health check on "Anemia", Samayapuram.	Healthcare	Yes	Tamil Nadu	Tiruchirappalli	2,00,000	No	Empower Trust	CSR00039073

15	Water purifier cum dispenser unit given to Govt. Primary School, Gudalur,	Drinking water/Sanitation	Yes	Tamil Nadu	Nilgiris	1,20,000	Yes	Nil	Nil
16	Groceries to Asha Nivas Social Service Centre, Thousand Lights	Eradicating hunger / providing facilities for children	Yes	Tamil Nadu	Chennai	17,000	Yes	Nil	Nil
	<b>TOTAL</b>					94,92,286			

This is to certify that, pursuant to Rule 5 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the funds so disbursed have been utilized for the purposes and in the manner as approved by the Committee / Board.

**For Repco Micro Finance Limited.**

**Chief Financial Officer  
Shri. P. Senthil Kumar**

## ANNEXURE-III

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Repc Micro Finance Limited  
CIN# U74900TN2007PLC064126  
'Repc Tower' No.33 North Usman Road,  
T. Nagar, Chennai – 600017

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Repco Micro Finance Limited (hereinafter called “the company”)**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31<sup>st</sup>, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Repco Micro Finance Limited for the financial year ended on March 31<sup>st</sup>, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Reserve Bank of India Act, 1934 and the rules made thereunder
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under, *to the extent applicable*
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, *to the extent applicable*.

***I further report that since the company is not a listed entity the compliances under the following acts and regulations are not applicable to the company:***

- (I) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (II) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance or at a shorter notice subject to the concurrence of the Independent Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:-

Reserve Bank of India, had initiated inspection under the provision of Section 45N of the RBI Act, 1934 with reference to the financial position of the Company as on March 31, 2021, between March 01 – March 11, 2022. During the course of the inspection, RBI noted certain observations which the company has fulfilled and submitted the compliance report to RBI. The company has submitted responses to the queries raised by RBI on several occasions within the timeline.

Place : Chennai  
Date: 31/05/2023

Signature: Sd/-  
A. Ramanathan  
Company Secretary in Practice  
FCS No. 9051  
CP No. 19747  
ICSI UDIN: F009051E000438799  
Peer Review Certificate No. 2225/2022

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

**'Annexure -A'**

To,  
The Members,  
Repco Micro Finance Limited  
CIN# U74900TN2007PLC064126  
'Repco Tower' No.33 North Usman Road,  
T. Nagar, Chennai – 600017

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, i followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Chennai  
Date: 31/05/2023

Signature: Sd/-  
A. Ramanathan  
Company Secretary in Practice  
FCS No. 9051  
CP No. 19747  
ICSI UDIN: F009051E000438799  
Peer Review Certificate No. 2225/2022

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF REPCO MICRO FINANCE LIMITED****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of REPCO MICRO FINANCE LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of



the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key Audit Matters	How our audit addressed the key audit matter
<p><b>1. Ind AS implementation</b></p> <p>The Company has adopted the Indian Accounting Standards (“Ind AS”) effective from 1st April 2022, as notified by the Ministry of Corporate Affairs with the transition date as 1st April 2021.</p> <p>Note 43: First time adoption of Ind AS forming part of the Financial Statements discloses the details of the transition impact on the Financial Statements. The impact of the transition identified to be mainly on the following areas:</p> <ul style="list-style-type: none"> <li>• Classification, recognition, measurement and disclosure of Financial Assets and Financial liabilities.</li> <li>• Measurement of Impairment on Financial Assets (Expected Credit Loss).</li> <li>• Accounting for Loan Fees and Cost on Financial Liabilities.</li> <li>• Accounting for leases.</li> </ul> <p>As the transition impact involves a significant degree of management judgment and key assumptions on the above matters, we have determined this as a Key Audit Matter</p> <p><b>2. Provision on Financial Instruments based on expected credit loss models</b></p> <p>The Company provides loans to retail customers as part of its operations. Traditionally, the Company has provided for loan losses based on guidelines prescribed by the Reserve Bank of India, the relevant regulator. As per the expected credit loss (“ECL”) model required to be followed under Ind-AS 109 for loan loss provisioning, the Company is required to make consider and</p>	<p>We have confirmed the choices made and exemptions claimed by the company for transition with the requirements of Ind-AS 101 as well as relevant regulatory guidelines and pronouncements.</p> <ul style="list-style-type: none"> <li>• Evaluated the management’s transition date choice under Ind AS 101.</li> <li>• We have reviewed the transition date adjustments made to give effect to the change in accounting framework, under the previous GAAP to the new Ind AS Framework.</li> </ul> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We gained an understanding of the Company’s key credit processes comprising granting, booking, monitoring and provisioning and tested the operating effectiveness of key controls over these processes.</li> <li>• We read the Company’s Ind-AS 109 Expected Credit Loss (“ECL”) policy and</li> </ul>

make related estimations, on factors including the probability-weighted loss on financial instruments over their life, reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. This involves a significant degree of estimates and judgements, including in respect of:

- a) Defining the thresholds for significant increase in credit risk and for 'default' definition i.e. the number of days-past-due (DPD) post which a particular loan account will be considered either to have a significant increase in its credit risk or having defaulted.
- b) Where relevant, segregating the loan portfolio under homogenous pools whereby the loans grouped in a particular category can be expected to demonstrate similar credit characteristics such that their probability of default can be determined on a collective basis
- c) Determining whether the effect of less frequent past events is to be considered for determining the future probability of default.
- d) Management overlay for macro-economic factors which could impact the credit quality of the loans and factor the effect of those in loss estimation process

As at March 31, 2023, the Company's gross advance exposures amounted to Rs. 1,08,549.45 Lakhs and the related impairment provisions / write off amounted to Rs. 6,465.34 Lakhs. The impairment provision policy is presented in the accounting policies, and in Note 2D.i. K to the financial statements

compared it with the requirements of Ind-AS 109 as well as relevant regulatory guidelines and pronouncements.

- We obtained an understanding of the Company's provisioning methodology, the underlying assumptions and the sufficiency of the data used by management.
- We tested on a sample basis, the Exposure at Default used in the ECL calculation
- We obtained an understanding of the basis and methodology adopted by management to determine 12 month and life-time probability of defaults and the loss given defaults for various homogenous segments and tested the same on a sample basis.
- We performed test of details on a sample basis, over the input data used for determining the Probability of Default and Loss Given Default rates and agreed the data with the underlying books of accounts and records.
- We tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.
- We enquired with the management regarding significant judgments and estimates involved in the impairment computation and evaluated the reasonability of such estimates made in accordance with Ind AS 109.
- We performed analytical reviews of disaggregated data.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS 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.

**Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 IND As financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

- Taken into account the provisions of the Companies Act, RBI regulations, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder
- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Ind AS financial statements.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer Note 35 to the Ind AS financial statements
  - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii. There were no amounts, which were required to be transferred to the Investor Education and protection fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and beliefs, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
- i) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

- j) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Rajagopal & Badri Narayanan  
Chartered Accountants  
FRN 003024S

Sd/-

P S Prabhakar  
Partner  
M. No. 020909  
UDIN: 23020909BGRHHC2239  
Place: Chennai  
Date: 16/05/2023

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Repco Micro Finance Limited of even date)**

**Report on the Internal Financial Controls with reference to Ind AS Financials Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

We have audited the internal financial controls with reference to Ind AS financial statements of REPCO MICRO FINANCE LIMITED (the “Company”) as of March 31, 2023 in conjunction with our audit of the Ind AS 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 with reference to Ind AS financial statements 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 “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Ind AS financial statements. 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 with reference to Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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



We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Ind AS financial statements.

#### **Meaning of Internal Financial Controls with reference to Ind AS financial statements**

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

#### **Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements**

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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to Ind AS financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Rajagopal & Badri Narayanan  
Chartered Accountants  
FRN 003024S  
Sd/-  
P S Prabhakar  
Partner  
M. No. 020909  
UDIN: 23020909BGRHHC2239  
Place: Chennai

Date: 16/05/2023

**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 to the Members of Repco Micro Finance Limited of even date)**

**To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:**

- i. In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:
  - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - b. As per the information and explanation given to us, all the Property, Plant and Equipments have been physically verified by the management at regular intervals, which in our opinion, is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. No immovable properties are held by the Company, hence reporting on this clause is not applicable.
  - d. The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.
  - e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - a) The Company is a non-Banking finance company, and it does not hold any inventories. Thus, paragraph 3(ii)(a) of the Order is not applicable to Company.
  - b) The company has been sanctioned Term loans and Working Capital Limits in excess of Rs. 5 crores in aggregate from banks/financial institutions on the basis of security of Loan receivables. The quarterly returns or statements filed by the company with the banks or financial institutions are in agreement with the books of account of the Company.
- iii.
  - (a) Since the Company's principal business is to give loans, the provision of clause 3(iii)(a) of the Order is not applicable to it.

- (b) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934, in our opinion and according to the information and explanations given to us, the security given and the terms and conditions of the grant of all loans and advances in the nature of loans and advances, provided during the year are, prima facie, not prejudicial to the Company's interest. The company has not made any Investments or provided any Guarantee during the current year.
- (c) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting.
- (d) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and / or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 6 to the Financial Statements for summarised details of such loans / advances which are not repaid by borrowers as per stipulations as also details of reasonable steps taken by the Company for recovery thereof.
- (e) Since the Company's principal business is to give loans, the provision of clause 3(iii)(e) of the Order is not applicable to it.
- (f) Based on our audit procedures, according to the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year
- iv. In our opinion and according to the information and explanations given to us, Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.

- v. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public and hence the provisions of section 73 to 76 or any other provisions of the Companies Act and the rules made there under are not applicable to the company.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. a) The Company is regular in depositing undisputed Statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Duty of Customs, Cess, and any other Statutory Dues to the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March 2023 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute except for the following cases:

Name of the statute	Nature of dues	Amount In Lakhs (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act	Income Tax	117.10	36.71	AY 12-13	CIT Appeals	-

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961)
- ix. a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- b) In our opinion and according to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The term loans were applied for the purpose for which the loans were obtained;
- d) The funds raised on short term basis have not been utilised for long term purposes;
- e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

- f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries', joint ventures or associate companies.
- x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally). Accordingly, provisions of clause 3 (x)(b) of the order are not applicable.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit, other than instances of fraud noticed and reported by the management aggregating to Rs. 0.13 Lakhs of two instances.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii)(a)-(c) of the Order are not applicable.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business. We have considered the Internal Audit reports issued till date.
- (b) We have considered, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit, issued to the company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors"

- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the order are not applicable.
- xvi. a) The Company is required to be registered under Section 45-IA of the RBI Act, 1934 and such registration has been obtained by the Company.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the RBI as per the RBI Act, 1934. Accordingly, provisions of clause 3 (xvi) (b) of the order are not applicable.
- c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.
- d) The Group has no CIC which are part of the Group. Accordingly, the provisions of clause 3(xvi) (d) of the order are not applicable
- xvii. The Company has not incurred any cash losses during the current financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause 3 (xviii) of the order are not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a) There is no unspent amount towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b) There is no unspent amount towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a special account in compliance with provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For Rajagopal & Badri Narayanan  
Chartered Accountants  
FRN 003024S

Sd/-  
P S Prabhakar  
Partner  
M. No. 020909  
UDIN: 23020909BGRHHC2239  
Place: Chennai  
Date: 16/05/2023

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2023**

(All amounts are Rupees in Lakhs, except for share data or Unless otherwise stated)					
Particulars		Notes	As at 31st March, 2023	As at 31st March, 2022	As at 1st April 2021
<b>I</b>	<b>ASSETS</b>				
<b>(1)</b>	<b>Financial Assets</b>				
	(a) Cash and cash equivalents	3	513.14	2,645.71	6,641.76
	(b) Bank Balance other than (a) above	4	15.12	410.58	400.48
	(c) Receivables	5	-	-	-
	(d) Loans	6	1,02,084.11	95,008.75	88,329.44
<b>(2)</b>	<b>Non-financial Assets</b>				
	(a) Current tax assets (Net)	7	107.43	132.05	25.10
	(b) Deferred Tax assets (Net)	8	1,866.84	1,976.42	818.38
	(c) Property, plant and Equipment	9	601.39	485.22	354.75
	(d) Intangible Assets	9	43.02	1.33	26.74
	(e) Right-of-use assets	9	1,332.64	975.43	466.59
	(f) Other non-financial assets	10	262.14	314.66	201.50
	<b>Total assets</b>		<b>1,06,825.82</b>	<b>1,01,950.15</b>	<b>97,264.74</b>
<b>II</b>	<b>LIABILITIES AND EQUITY</b>				
<b>(1)</b>	<b>Financial Liabilities</b>				
	(a) Payables				
	<b>(I) Trade Payables</b>				
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	11	-	-	-
	<b>(II) Other Payables</b>				
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
	(b) Borrowings (Other than Debt Securities)	12	72,008.78	72,044.88	69,892.76
	(c) Lease Liabilities	13	1,385.20	981.71	451.27
	(d) Other financial liabilities	14	1.41	-	1.55
<b>(2)</b>	<b>Non-Financial Liabilities</b>				
	(a) Current tax liabilities (Net)		-	-	-
	(b) Provisions	15	148.79	98.08	47.56
	(c) Other non-financial liabilities	16	574.84	213.35	378.48
<b>(3)</b>	<b>Equity</b>				
	(a) Equity share capital	17	9,920.00	9,920.00	6,920.00
	(b) Other Equity	18	22,786.81	18,692.12	19,573.13
	<b>Total Liabilities and Equity</b>		<b>1,06,825.82</b>	<b>1,01,950.15</b>	<b>97,264.74</b>
<b>Significant accounting policies and accompanying notes forms integral part of financial statements (Note 1-55)</b>					

For Rajagopal & Badri Narayanan  
Chartered Accountants  
Firm Regn No: 003024S

A. G. VENKATACHALAM  
Whole Time Director  
DIN No: 05289154

R. S. ISABELLA  
Chairman & Managing Director  
DIN No: 06871120

P. S. PRABHAKAR  
Partner  
Membership No: 020909  
Place: Chennai  
Date: 16.05.2023

P. SENTHIL KUMAR  
Chief Financial Officer

S. YOGANANDHAN  
Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH 2023**

(All amounts are Rupees in Lakhs, except for share data or Unless otherwise stated)				
Particulars		Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
	<b>Revenue from operations</b>			
I	Interest income	19	17,717.62	16,531.05
II	Other income	20	58.82	36.16
<b>III</b>	<b>Total Revenue (I+II)</b>		<b>17,776.44</b>	<b>16,567.21</b>
	<b>Expenses</b>			
(i)	Finance costs	21	5,263.75	5,839.51
(ii)	Impairment on financial instruments	22	(1,657.29)	4,323.57
(iii)	Bad debts written off	23	3,242.39	738.65
(iv)	Employee Benefits Expenses	24	3,385.85	2,490.49
(v)	Depreciation, amortization and impairment	25	427.80	374.40
(vi)	Other expenses	26	990.34	608.60
<b>IV</b>	<b>Total expenses (IV)</b>		<b>11,652.84</b>	<b>14,375.24</b>
V	Profit /(Loss) before exceptional items and tax	(III-IV)	<b>6,123.59</b>	<b>2,191.97</b>
VI	Exceptional items		-	-
VII	Profit /(Loss) before tax	(V-VI)	<b>6,123.59</b>	<b>2,191.97</b>
VIII	Tax Expenses			
	(1) Current Tax		1,350.00	1,722.00
	(2) Deferred Tax		120.51	(1,172.62)
	(3) Tax expense of earlier year		29.89	(26.63)
IX	Profit /(loss) for the period from continuing operations	(VII-VIII)	<b>4,623.20</b>	<b>1,669.22</b>
X	Profit /(Loss) from discontinued operations			
XI	Tax expense of discontinued operations			
XII	Profit /(Loss) from discontinued operations (After tax)	(X-XI)	-	-
<b>XIII</b>	<b>Profit /(Loss) for the period</b>	<b>(IX+XII)</b>	<b>4,623.20</b>	<b>1,669.22</b>
<b>XIV</b>	<b>Other Comprehensive Income</b>			
	(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)			
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	<b>Subtotal (A)</b>		-	-
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)		<b>(43.44)</b>	<b>57.96</b>
	(ii) Income tax relating to items that will be reclassified to profit or loss		<b>10.93</b>	<b>(14.59)</b>
	<b>Subtotal (B)</b>		<b>(32.50)</b>	<b>43.37</b>
<b>XV</b>	<b>Total comprehensive income for the period (Comprising Profit (loss) and other comprehensive income for the period)</b>	<b>(XIII+XIV)</b>	<b>4,590.69</b>	<b>1,712.59</b>
<b>XVI</b>	<b>Earnings per equity share</b>			
	Weighted Average Number of Shares Outstanding during the Period		9,92,00,000	9,59,94,521
	Basic and Diluted Earnings per share (Rs.)		4.66	1.74
	Nominal value per Equity Share (Rs.)		10	10

**Significant accounting policies and accompanying notes forms integral part of financial statements (Note 1-55)**

For Rajagopal & Badri Narayanan

Chartered Accountants  
Firm Regn No: 003024S

A. G. VENKATACHALAM  
Whole Time Director  
DIN No: 05289154

R. S. ISABELLA  
Chairman & Managing Director  
DIN No: 06871120

P. S. PRABHAKAR  
Partner  
Membership No: 020909  
Place: Chennai  
Date: 16.05.2023

P. SENTHIL KUMAR  
Chief Financial Officer

S. YOGANANDHAN  
Company Secretary

<b>CASH FLOW STATEMENT FOR THE YEAR ENDING MARCH 31, 2023</b>				
(All amounts are Rupees in Lakhs, except for share data or Unless otherwise stated)				
	<b>Particulars</b>	<b>For the year ended 31-03-2023</b>		<b>For the year ended 31-03-2022</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	<b>NET PROFIT BEFORE TAX</b>		<b>6,123.59</b>	<b>2,191.97</b>
	Adjustments For:			
	Depreciation & amortisation	427.80		374.40
	Finance Cost	5,263.75		5,839.51
	Ind AS 19 - Adjustments Actuiral Gain/Loss	(43.44)		57.96
	Impairment on financial instruments	(1,657.29)		4,323.57
	(Profit)/Loss on Sale of Fixed Assets	(0.73)		(6.10)
	Interest Earned on Deposits	(36.91)		(22.13)
	Interest Earned on Lease Deposits	(10.88)		(7.07)
	Lease Modification Profit/Loss	(0.84)		-
	Bad debts written off	3,233.16		737.99
			7,174.62	11,298.14
	<b>Operating Profit Before Working Capital Changes</b>		<b>13,298.21</b>	<b>13,490.11</b>
	<b>Changes in Working Capital</b>			
	Increase/(Decrease) in Provisions		50.70	50.53
	Increase/(Decrease) in Other Non-Financial Liabilities		361.49	(165.13)
	Increase/(Decrease) in Other Financial Liabilities		1.41	(1.55)
	(Increase)/Decrease in Other Non-Financial Assets		39.46	(127.56)
	(Increase)/Decrease in Receivables		-	-
	<b>Operating Profit after Working Capital Changes</b>		<b>13,751.28</b>	<b>13,246.40</b>
	Direct Taxes Paid		(1,355.27)	(1,802.32)
	<b>Net Cash From Operations</b>		<b>12,396.01</b>	<b>11,444.08</b>
	<b>(Increase)/Decrease in Loans and Advances</b>		<b>(8,651.23)</b>	<b>(11,740.87)</b>
	<b>Net Cash Generated from operating activity (A)</b>		<b>3,744.78</b>	<b>(296.79)</b>
	<b>Cash Flow From Investing Activities</b>			
	Purchase of Fixed Assets		(312.96)	(246.28)
	Sale of Fixed Assets		6.89	7.42
	Investments in Fixed Deposits		395.46	(10.00)
	Interest Earned on Deposits		36.90	22.03
	<b>Net Cash Used in Investing Activities (B)</b>		<b>126.28</b>	<b>(226.83)</b>
	<b>Cash Flow From Financing Activities</b>			
	Proceeds from Issue Share Capital(Net off of Issue Expenses)		-	960.00
	Increase in Secured and Unsecured Loans(Net)		(36.11)	2,152.12
	Finance Cost		(5,146.96)	(5,772.79)
	Dividends Paid		(496.00)	(553.60)
	Payment towards Lease Liability		(324.58)	(258.16)
	<b>Net Cash Used in Financing Activities (C)</b>		<b>(6,003.64)</b>	<b>(3,472.43)</b>
	<b>Net Increase/Decrease in cash and cash equivalent (A+B+C)</b>		<b>(2,132.58)</b>	<b>(3,996.05)</b>

				-
Cash and Cash Equivalents - Opening Balance (D)		2,645.71		6,641.76
<b>Cash and Cash Equivalents - Closing Balance *</b>		<b>513.14</b>		<b>2,645.71</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (E-D)</b>		<b>(2,132.58)</b>		<b>(3,996.05)</b>
<b>Note:</b>				
<b>Cash and cash equivalents consist of Cash on Hand, Balance with Banks. Cash equivalents included in Cash Flow Statement comprises the following Balance Sheet amounts:</b>				
(i) Balances with banks				
- in Current accounts				<b>2,645.67</b>
- in savings bank account		<b>513.11</b>		-
- in deposit accounts with original maturity upto 3 months		-		-
(ii) Cash on hand		<b>0.03</b>		<b>0.04</b>
		<b>513.14</b>		<b>2,645.71</b>

For Rajagopal & Badri Narayanan  
Chartered Accountants  
Firm Regn No: 003024S

A. G. VENKATACHALAM  
Whole Time Director  
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P. S. PRABHAKAR  
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Membership No: 020909  
Place: Chennai  
Date: 16.05.2023

P. SENTHIL KUMAR  
Chief Financial Officer

S. YOGANANDHAN  
Company Secretary

<b>Statement of change in Equity As on 31st March 2023</b>						
(All amounts are Rupees in Lakhs, except for share data or Unless otherwise stated)						
<b>Equity share capital</b>	<b>Balance at the Beginning</b>		<b>Addition made during the period</b>		<b>Balance at the End</b>	
<b>Particulars</b>	<b>Units</b>	<b>Value (in lakhs)</b>	<b>Units</b>	<b>Value (in lakhs)</b>	<b>Units</b>	<b>Value (in lakhs)</b>
Balance as at 1st April 2021	69,20,00,000	6,920.00	-	-	69,20,00,000	6,920.00
<b>Addition made during the year -2021-22</b>	-	-	30,00,00,000	3,000.00		
Balance at the End of the Reporting Period 31st March 2022	69,20,00,000	6,920.00	-	-	99,20,00,000	9,920.00
<b>Addition made during the year -2022-23</b>	-	-			-	-
Balance at the End of the Reporting Period 31st March 2023	99,20,00,000	9,920.00			99,20,00,000	<b>9,920.00</b>
<b>Other equity</b>	<b>Share Application Money</b>	<b>Statutory Reserves</b>	<b>General reserve</b>	<b>Retained earnings</b>	<b>Other Comprehensive Income</b>	<b>Total Equity</b>
<b>Balance at 1st April 2021</b>	<b>2,040.00</b>	<b>4,392.37</b>	<b>850.00</b>	<b>12,290.75</b>	<b>-</b>	<b>19,573.13</b>
<b>Changes in equity for 2021-22</b>				<b>1,669.22</b>		<b>1,669.22</b>
Add Profit / Loss for the year 2021-2022	-	-	-			-
Transferred to Share capital	<b>(2,040.00)</b>					<b>(2,040.00)</b>
Transferred to Reserves	-	<b>200.43</b>	-	<b>(200.43)</b>		-
Net gain on re-measurement of defined benefit plans	-	-	-		<b>57.96</b>	57.96
Less : Income Tax					<b>(14.59)</b>	(14.59)
Dividend for Fin Year 2020-21	-	-	-	<b>(553.60)</b>		(553.60)
<b>Balance at 31st March 2022</b>	<b>-</b>	<b>4,592.80</b>	<b>850.00</b>	<b>13,205.95</b>	<b>43.37</b>	<b>18,692.12</b>
<b>Add Profit / Loss for the year 2022-2023</b>				<b>4,623.20</b>		<b>4,623.20</b>
Transferred to Reserves		<b>924.64</b>		<b>(924.64)</b>		-
Net gain on re-measurement of defined benefit plans					<b>(43.44)</b>	(43.44)
Less : Income Tax					<b>10.93</b>	
Dividend for Fin Year 2021-22				<b>(496.00)</b>		(496.00)
<b>Balance at 31st March 2023</b>	<b>-</b>	<b>5,517.44</b>	<b>850.00</b>	<b>16,408.51</b>	<b>10.87</b>	<b>22,786.81</b>

<b>Notes to Accounts</b>		<b>Amount in Rs. (in Lakhs)</b>		
		<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>	<b>As at 1st April, 2021</b>
<b>3</b>	<b>Cash and Cash Equivalents</b>			
	Cash on hand	0.03	0.04	0.04
	Balances with Banks (of the nature of cash and cash equivalents)	513.11	2,645.67	6,641.73
	<b>Total</b>	<b>513.14</b>	<b>2,645.71</b>	<b>6,641.76</b>
<b>4</b>	<b>Bank balances</b>			
	Fixed deposit with bank not considered as cash and cash equivalents*(Including Interest Accrued)	15.12	410.58	400.48
	<b>Total</b>	<b>15.12</b>	<b>410.58</b>	<b>400.48</b>
*Fixed Deposits with banks are held as Lien or security against the SOD Facilities availed by the company from banks and also towards Term loan facilities availed from Financial Institutions.				
<b>5</b>	<b>Receivables</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>	<b>As at 1st April, 2021</b>
	Receivables considered good – Secured	-	-	-
	Receivables considered good – Unsecured	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

		<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>	<b>As at 1st April 2021</b>
<b>7</b>	<b>Current tax assets/Liabilities (Net)</b>			
	Current Tax (Net)	107.43	132.05	25.10
<b>8</b>	<b>Deferred Tax ( Net)*</b>			
	Deferred tax relating to origination and reversal of temporary differences	1,866.84	1,976.42	818.38
	<b>Total</b>	<b>1,866.84</b>	<b>1,976.42</b>	<b>818.38</b>
	*Refer Note 29 for Components of Deferred tax assets and liabilities			
<b>10</b>	<b>Other non - financial assets</b>			
	Goods and Service tax credit (input) receivable	-	3.92	-
	Other Advances	207.06	174.24	160.17
	Prepaid expenses	55.08	136.50	41.33
	<b>Total</b>	<b>262.14</b>	<b>314.66</b>	<b>201.50</b>

Trade receivables ageing schedule as at 31 March 2023								Amount (₹ in lakh)	
Particulars		Outstanding for following periods from due date of payment				Total			
		Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years		
(i)	Undisputed trade receivables – considered good	-	-	-	-	-	-	-	-
(ii)	Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv)	Disputed trade receivables– considered good	-	-	-	-	-	-	-	-
(v)	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi)	Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	-	-	-
Less: Expected Credit Loss						-			
<b>Total trade receivables</b>						-			
Trade receivables ageing schedule as at 31 March 2022								Amount (₹ in lakh)	
Particulars		Outstanding for following periods from due date of payment				Total			
		Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years		
(i)	Undisputed trade receivables – considered good	-	-	-	-	-	-	-	-
(ii)	Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv)	Disputed trade receivables– considered good	-	-	-	-	-	-	-	-
(v)	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi)	Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	-	-	-
Less: Expected Credit Loss						-			
<b>Total trade receivables</b>						-			

6	Loans	As at 31st March, 2023					As at 31st March, 2022					As at 1st April 2021							
		Amortised cost (1)	At fair value			Sub- total (5=2+ 3+4)	Total (6=1+5)	Amortised cost (7)	At fair value			Sub- total (11=8+ 9+10)	Total (12=7+11)	Amortised cost (13)	At fair value			Sub- total (17=14+ 15+16)	Total (18=13 +17)
			Through other comprehensive income (2)	Through profit or loss (3)	Designated at fair value through profit or loss (4)				Through other comprehensive income (8)	Through profit or loss (9)	Designated at fair value through profit or loss (10)				Through other comprehensive income(14)	Through profit or loss (15)	Designated at fair value through profit or loss (16)		
(A)	(i) Others - housing loan											18.01					18.01		
	(ii) Others - MF loans	84,094.53				84,094.53	1,03,131.38					1,03,131.38	92,110.49				92,110.49		
	(iii) Others - Non-MF loans	24,454.92				24,454.92	-					-	-				-		
	<b>Total (A) - Gross</b>	<b>1,08,549.45</b>				<b>1,08,549.45</b>	<b>1,03,131.38</b>					<b>1,03,131.38</b>	<b>92,128.50</b>				<b>92,128.50</b>		
	Less - Impairment loss allowance	(6,465.34)				(6,465.34)	(8,122.63)					(8,122.63)	(3,799.06)				(3,799.06)		
	<b>Total (A) Net</b>	<b>1,02,084.11</b>				<b>1,02,084.11</b>	<b>95,008.75</b>					<b>95,008.75</b>	<b>88,329.44</b>				<b>88,329.44</b>		
(B)	(i) Secured by tangible assets	-				-	-					-	-				-		
	(ii) Secured by intangible assets	-				-	-					-	-				-		
	(iii) Covered by bank/Government Guarantees	-				-	-					-	18.01				18.01		
	(iv) Unsecured	1,08,549.45				1,08,549.45	1,03,131.38					1,03,131.38	92,110.49				92,110.49		
	<b>Total (B) - Gross</b>	<b>1,08,549.45</b>				<b>1,08,549.45</b>	<b>1,03,131.38</b>					<b>1,03,131.38</b>	<b>92,128.50</b>				<b>92,128.50</b>		
	Less - Impairment loss allowance	(6,465.34)				(6,465.34)	(8,122.63)					(8,122.63)	(3,799.06)				(3,799.06)		
	<b>Total (B) - Net</b>	<b>1,02,084.11</b>				<b>1,02,084.11</b>	<b>95,008.75</b>					<b>95,008.75</b>	<b>88,329.44</b>				<b>88,329.44</b>		

<b>Note 6 .1 Term loans</b>								
<b>6.1.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans is, as follows:</b>								
<b>Particulars</b>	<b>FY 2022-23</b>				<b>FY 2021-22</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross Carrying amount opening balance</b>	92,076.50	1,708.84	9,346.04	<b>1,03,131.38</b>	84,764.37	3,026.44	4,337.69	<b>92,128.50</b>
Assets derecognised or repaid	(64,389.40)	(1,615.65)	(1,465.19)	<b>(67,470.25)</b>	(53,271.48)	(1,253.72)	(1,591.70)	<b>(56,116.90)</b>
New assets originated or purchased	76,119.12	6.95	4.64	<b>76,130.71</b>	67,814.76	26.48	17.19	<b>67,858.43</b>
Transfers to Stage 1	298.09	(169.35)	(128.74)	-	176.02	(166.84)	(9.18)	-
Transfers to Stage 2	(1,543.31)	1,863.27	(319.96)	-	(2,511.43)	2,530.46	(19.03)	<b>(0.00)</b>
Transfers to Stage 3	(1,032.67)	(656.94)	1,689.62	-	(4,895.74)	(2,453.98)	7,349.72	-
Amounts written off	-	-	(3,242.39)	<b>(3,242.39)</b>	-	-	(738.65)	<b>(738.65)</b>
<b>Gross carrying amount closing balance</b>	<b>1,01,528.31</b>	<b>1,137.11</b>	<b>5,884.02</b>	<b>1,08,549.45</b>	<b>92,076.50</b>	<b>1,708.84</b>	<b>9,346.04</b>	<b>1,03,131.38</b>
	-							
<b>6.1.2 Reconciliation of ECL balance is given below:</b>								
<b>Particulars</b>	<b>FY 2022-23</b>				<b>FY 2021-22</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
ECL allowance - opening balance	1,555.92	58.18	6,508.53	<b>8,122.63</b>	633.24	60.85	3,104.97	<b>3,799.06</b>
New assets originated or purchased	891.64	3.50	3.90	<b>899.04</b>	1,146.87	1.56	12.82	<b>1,161.25</b>
Assets derecognised or repaid	(497.96)	(15.76)	(406.71)	<b>(920.44)</b>	(226.67)	(3.88)	(85.42)	<b>(315.97)</b>
Transfers to Stage 1	99.54	(6.05)	(93.49)	-	10.34	(3.56)	(6.77)	-
Transfers to Stage 2	(39.12)	271.19	(232.07)	-	(25.68)	39.82	(14.14)	-
Transfers to Stage 3	(26.79)	(22.62)	49.41	-	(53.35)	(50.13)	103.47	-
Changes to models and inputs used for ECL calculations	(620.59)	268.15	1,148.34	<b>795.90</b>	71.18	13.52	3,947.59	<b>4,032.28</b>
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-	-	-	-	-
ECL Provision on account of written off accounts	-	-	(2,431.79)	<b>(2,431.79)</b>	-	-	(553.99)	<b>(553.99)</b>
<b>ECL allowance - closing balance</b>	<b>1,362.64</b>	<b>556.58</b>	<b>4,546.12</b>	<b>6,465.34</b>	<b>1,555.92</b>	<b>58.18</b>	<b>6,508.53</b>	<b>8,122.63</b>



<b>Note No. 9 Property, Plant and Equipment; Intangible Assets; Right to Use of Assets</b>													
<i>(All amounts are Rupees in Lakhs, except for share data or Unless otherwise stated)</i>													
Particulars	Tangible Assets								Intangible Assets		Right to Use of Assets		Grand Total
	Furniture and fittings	Temporary Structures	Office equipments	Electrical equipments	Computer	Servers and networks	Vehicles	Total	Software	Total	Building	Total	
<b><u>Cost or deemed cost</u></b>													
Balance as at April 1, 2021	45.28	10.13	29.16	55.68	75.43	131.09	7.98	354.75	26.74	26.74	466.59	466.59	848.08
Add. Addition	105.95	5.05	25.39	16.63	60.24	-	33.02	246.28	-	-	743.34	743.34	989.62
Less: Disposal/transfer	-	-	-	-	1.92	-	5.86	7.78	-	-	-	-	7.78
Balance as at March 31, 2022	151.23	15.18	54.55	72.32	133.75	131.09	35.13	593.25	26.74	26.74	1,209.93	1,209.93	1,829.91
Balance as at April 1, 2022	151.23	15.18	54.55	72.32	133.75	131.09	35.13	593.25	26.74	26.74	1,209.93	1,209.93	1,829.91
Add. Addition	30.85	50.23	30.63	13.69	129.52	-	12.53	267.45	45.51	45.51	643.32	643.32	956.28
Less: Disposal/transfer	2.83	7.01	-	4.24	9.90	-	4.14	28.12	-	-	15.16	15.16	43.28
Balance as at March 31, 2023	179.26	58.39	85.19	81.76	253.37	131.09	43.52	832.57	72.25	72.25	1,838.09	1,838.09	2,742.92
<b><u>Accumulated Depreciation -</u></b>													
Balance as at April 1, 2021	-	-	-	-	-	-	-	-	-	-	-	-	-
Add. Depreciation Expense	18.64	4.80	8.16	7.28	41.14	30.37	4.10	114.49	25.41	25.41	234.50	234.50	374.40
Less: Disposal/transfer	-	-	-	-	1.82	-	4.64	6.47	-	-	-	-	6.47
Balance as at March 31, 2022	18.64	4.80	8.16	7.28	39.32	30.37	(0.54)	108.02	25.41	25.41	234.50	234.50	367.93
Balance as at April 1, 2022	18.64	4.80	8.16	7.28	39.32	30.37	(0.54)	108.02	25.41	25.41	234.50	234.50	367.93
Add. Depreciation Expense	17.84	14.75	13.94	8.94	52.80	30.29	6.56	145.13	3.82	3.82	278.85	278.85	427.80
Less:	2.28	6.66	-	2.87	9.42	-	0.74	21.97	-	-	7.89	7.89	29.86

Disposal/transfer													
<b>Balance as at March 31, 2023</b>	<b>34.20</b>	<b>12.88</b>	<b>22.09</b>	<b>13.36</b>	<b>82.70</b>	<b>60.66</b>	<b>5.28</b>	<b>231.19</b>	<b>29.23</b>	<b>29.23</b>	<b>505.45</b>	<b>505.45</b>	<b>765.87</b>
<b>Carrying Amount</b>								-	-	-	-	-	-
<b>As at April 1, 2021</b>	<b>45.28</b>	<b>10.13</b>	<b>29.16</b>	<b>55.68</b>	<b>75.43</b>	<b>131.09</b>	<b>7.98</b>	<b>354.75</b>	<b>26.74</b>	<b>26.74</b>	<b>466.59</b>	<b>466.59</b>	<b>848.08</b>
<b>As at March 31, 2022</b>	<b>132.59</b>	<b>10.38</b>	<b>46.40</b>	<b>65.03</b>	<b>94.43</b>	<b>100.71</b>	<b>35.67</b>	<b>485.22</b>	<b>1.33</b>	<b>1.33</b>	<b>975.43</b>	<b>975.43</b>	<b>1,461.98</b>
<b>As at March 31, 2023</b>	<b>145.05</b>	<b>45.51</b>	<b>63.09</b>	<b>68.40</b>	<b>170.67</b>	<b>70.42</b>	<b>38.23</b>	<b>601.39</b>	<b>43.02</b>	<b>43.02</b>	<b>1,332.64</b>	<b>1,332.64</b>	<b>1,977.04</b>

Note : 1.PPE including ROU has not been revalued by the company during the year

Intangible assets under development	Amount in Intangible asset under development for a period of				Total								
	Less than 1 year	1-2 years	2-3 years	More than 3 years									
Projects in progress	-	-	-	-	-								
Projects temporarily suspended	-	-	-	-	-								
Intangible assets under development	To be completed in				Total								
	Less than 1 year	1-2 years	2-3 years	More than 3 years									
Projects in progress	-	-	-	-	-								

Company has opted for deemed cost under Ind AS 101 and has netted off accumulated depreciation from cost as at 01.04.2021. The cost and accumulated depreciation as on that date are as below:

As at 01-04-2021													
Cost	92.81	211.11	50.44	75.25	466.86	191.84	24.77	1,113.08	151.32	151.32	466.59	466.59	1,730.99
Accumulated depreciation -	47.53	200.98	21.28	19.57	391.43	60.75	16.79	758.33	124.58	124.58	-	-	882.91
Deemed cost	45.28	10.13	29.16	55.68	75.43	131.09	7.98	354.75	26.74	26.74	466.59	466.59	848.08

		Amount (₹ in Lakhs)		
11	Payables	As at 31st March, 2023	As at 31st March, 2022	As at 1st April 2021
	Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises (refer Note below)	-	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	Other payable			
	(i) Total outstanding dues of micro enterprises and small enterprises (refer Note below)			
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
		-	-	-
	(A) Dues to micro enterprises and small enterprises:			
1	Payables	As at 31st March, 2023	As at 31st March, 2022	As at 1st April 2021
	(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-	-
	(ii) the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	-	-	-
	(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;			
	(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-	-
	(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-	-
	Note: The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006.			

(B.1) Trade Payables aging schedule					
<b>As at March 31, 2023</b>					
<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>				<b>Total</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
MSME	-	-	-	-	-
Others	-	-	-	-	-
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at March 31, 2023</b>					
<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>				<b>Total</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
MSME	-	-	-	-	-
Others	-	-	-	-	-
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>12</b>	<b>Borrowings (Other than Debt Securities)</b>	<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>	<b>As at 1st April 2021</b>
	At amortised cost			
	<b>Secured*</b>			
	Term Loan			
	from bank	38,505.81	30,807.64	20,829.81
	from Other Financial Institutions	6,384.90	2,000.00	4,000.00
	<b>Loans from related party</b>			
	Loans repayable on demand			
	Cash credit / Overdraft facilities	13,954.30	19,886.70	19,722.73
	Term Loans	13,163.77	19,350.55	25,340.23
	Total	72,008.78	72,044.88	69,892.76
	Total	<b>72,008.78</b>	<b>72,044.88</b>	<b>69,892.76</b>
	*All the above loans are secured by a charge on the advances granted to Members of the Self Help Groups from the proceeds of the Loans .			

<b>Maturity Profile of Term loans from Banks</b>												
<b>As at March 31, 2023</b>												
Rate of Interest (%)	Maturities											
	Due within 1 year		Due between 1 to 3 years		Due between 3 to 5 years		Due between 5 to 10 years		Due above 10 years		Total	
	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount
7.50% to 8.50%	36.00	3,008.58	26.00	2,249.53	-	-	-	-	-	-	-	5,258.11
8.50% to 9.50%	82.00	8,432.60	71.00	7,491.51	-	-	-	-	-	-	-	15,924.11
9.50% to 10.50%	92.00	12,973.52	118.00	10,734.97	-	-	-	-	-	-	-	23,708.49
<b>Total</b>	<b>210.00</b>	<b>24,414.70</b>	<b>215.00</b>	<b>20,476.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,890.71</b>
<b>Maturity Profile of Cash credit / Overdraft facilities</b>												
<b>As at March 31, 2023</b>												
Rate of Interest (%)	Maturities											
	Due within 1 year		Due between 1 to 3 years		Due between 3 to 5 years		Due between 5 to 10 years		Due above 10 years		Total	
	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount
7.50% to 8.50%	-	-	-	-	-	-	-	-	-	-	-	-
8.50% to 9.50%	-	-	-	-	-	-	-	-	-	-	-	-
9.50% to 10.50%	12.00	13,954.30	-	-	-	-	-	-	-	-	12.00	13,954.30
<b>Total</b>	<b>12.00</b>	<b>13,954.30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.00</b>	<b>13,954.30</b>
<b>Maturity Profile of Term loan from Related parties</b>												
<b>As at March 31, 2023</b>												
Rate of Interest (%)	Maturities											
	Due within 1 year		Due between 1 to 3 years		Due between 3 to 5 years		Due between 5 to 10 years		Due above 10 years		Total	
	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount	No. of Installment	Amount
7.50% to 8.50%	-	-	-	-	-	-	-	-	-	-	-	-
8.50% to 9.50%	-	-	-	-	-	-	-	-	-	-	-	-
9.50% to 10.50%	36.00	6,619.34	35.00	6,544.43	-	-	-	-	-	-	71.00	13,163.77
<b>Total</b>	<b>36.00</b>	<b>6,619.34</b>	<b>35.00</b>	<b>6,544.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71.00</b>	<b>13,163.77</b>

13	Lease Liability	As at 31st March, 2023	As at 31st March, 2022	As at 1st April 2021
	Lease Liability*	1,385.20	981.71	451.27
	Total	<b>1,385.20</b>	<b>981.71</b>	<b>451.27</b>
*Refer Note 36.7 for Movement of Lease Liability				
14	Other financial liabilities	As at 31st March, 2023	As at 31st March, 2022	As at 1st April 2021
	Employee related payables	1.41	-	1.55
	Total	<b>1.41</b>	<b>-</b>	<b>1.55</b>
15	Provisions	As at 31st March, 2023	As at 31st March, 2022	As at 1st April 2021
	For Employee benefit - Provision for compensated absences	148.79	98.08	47.56
	Total	<b>148.79</b>	<b>98.08</b>	<b>47.56</b>
16	Other non-financial liabilities	As at 31st March, 2023	As at 31st March, 2022	As at 1st April 2021
	Statutory dues payable	68.86	-	9.22
	Outstanding expenses	496.76	196.41	353.70
	Retention money and other sundry liabilities	9.22	16.94	15.56
	Total	<b>574.84</b>	<b>213.35</b>	<b>378.48</b>

Amount (₹ in Lakhs)				
17	Equity Share Capital	As at 31st March, 2023	As at 31st March, 2022	As at 1st April 2021
	<b>Authorised Capital</b>			
	Equity shares of Rs. 10/- each	20,000	10,000	10,000
	<b>Issued, Subscribed &amp; Paid up Capital</b>			
	Issued, Subscribed and fully paid up Equity Shares	9,920	9,920	6,920
	Total Equity	<b>9,920</b>	<b>9,920</b>	<b>6,920</b>

17 a) Reconciliation of shares outstanding at the beginning and at the end of the year Amount (₹ in Lakhs)							
	Particulars	As at 31st March, 2023		As at 31st March, 2022		As at 1st April 2021	
		Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
	Equity Shares outstanding at the beginning of the year	9,92,00,000	9,920	6,92,00,000	6,920	6,92,00,000	6,920
	Equity Shares Issued during the year	-	-	3,00,00,000	3,000	-	-
	Equity Shares bought back during the year	-	-	-	-	-	-
	<b>Equity Shares outstanding at the end of the year</b>	<b>9,92,00,000</b>	<b>9,920</b>	<b>9,92,00,000</b>	<b>9,920</b>	<b>6,92,00,000</b>	<b>6,920</b>
<b>17 b) Shareholders holding more than 5% shares</b>							
S.No	Particulars	As at 31st March, 2023		As at 31st March, 2022		As at 1st April 2021	
		No's	% of holding	No's	% of holding	No's	% of holding
1	Repco Bank Limited	6,76,00,000	68.15%	6,76,00,000	68.15%	4,72,00,000	68.21%
2	Repco Home Finance Limited	3,16,00,000	31.85%	3,16,00,000	31.85%	2,20,00,000	31.79%
	<b>Total</b>	<b>9,92,00,000</b>	<b>100.00%</b>	<b>9,92,00,000</b>	<b>100.00%</b>	<b>6,92,00,000</b>	<b>100.00%</b>
<b>17 c) Terms/ rights attached to equity shares</b>							
The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. Dividend (if any) proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of Interim Dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts and the distribution will be in proportion to the number of equity shares held by the shareholders.							

17 d) Shares held by promoters							
S.No	Particulars	As at 31st March, 2023		As at 31st March, 2022		As at 1st April 2021	
		No's	% of holding	No's	% of holding	No's	% of holding
1	Repco Bank Limited	6,76,00,000	68.15%	6,76,00,000	68.15%	4,72,00,000	68.21%

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17 e)	Reconciliation of Shares held by promoters		
	Particulars	No. of Units	Value (in lakhs)
	<b>Balance as at 1st April 2021</b>	<b>4,72,00,000</b>	<b>4,720.00</b>
	Addition made during the FY 2021-22	2,04,00,000	2,040.00
	<b>Balance at the End of the Reporting Period 31st March 2022</b>	<b>6,76,00,000</b>	<b>6,760.00</b>
	% change during the year		<b>-0.06%</b>
	Addition made during the FY 2022-23	-	-
	<b>Balance at the End of the Reporting Period 31st March 2023</b>	<b>6,76,00,000</b>	<b>6,760.00</b>
	% change during the year		<b>0.00%</b>



18	Other equity	As at 31st March, 2023	As at 31st March, 2022	As at 1st April 2021
	<b>Share application money pending allotment</b>			
	As at March 31, 2021			2,040.00
	As at March 31, 2022		-	
	As at March 31, 2023	-		
	<b>Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934</b>			
	As at March 31, 2021	4,592.80	4,392.37	4,392.37
	Add: Amount transferred from retained earnings		200.43	
	As at March 31, 2022	4,592.80	4,592.80	
	Add: Amount transferred from retained earnings	924.64		
	As at March 31, 2023	<b>5,517.44</b>		
	<b>General Reserve</b>			
	As at March 31, 2021		850.00	850.00
	Add: Amount transferred from retained earnings	850.00	-	
	As at March 31, 2022		850.00	
	Add: Amount transferred from retained earnings			
	As at March 31, 2023	850.00		
	<b>Retained Earnings</b>			
	As at March 31, 2021	13,205.95	12,290.75	12,290.75
	Add: Profit for the year		1,669.22	-
	Equity dividend FY 2020-21	-	(553.60)	-
	Transfer to statutory reserve pursuant to Section 45-IC of the RBI Act, 1934		(200.43)	-
	Transfer to General reserve			
	As at March 31, 2022	13,205.95	13,205.95	12,290.75
	Add: Profit for the year	4,623.20		
	Equity dividend FY 2021-22	(496.00)		
	Transfer to statutory reserve pursuant to Section 45-IC of the RBI Act, 1934	(924.64)		
	As at March 31, 2023	16,408.51	13,205.95	
	<b>Other Comprehensive Income</b>			
	As at March 31, 2022	43.37	-	
	Remeasurement gain / (loss) on defined benefit plan	(43.44)	57.96	
	Gain / (loss) on fair valuation of quoted investments in equity shares			
	Income tax provision / (reversal) on above	10.93	(14.59)	
	As at March 31, 2023	10.87	43.37	
	<b>Total Other Equity</b>			
	As at March 31, 2021			19,573.13
	As at March 31, 2022		18,692.12	
	As at March 31, 2023	22,786.81		

**18.1 Nature and purpose of reserve****18.1.1 Statutory Reserve**

Statutory Reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

**18.1.2 General Reserve**

General Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

**18.1.3 Other Comprehensive Income**

Remeasurement of defined benefit plans - It represents the gain/(loss) on re-measurement of Defined Benefit Obligation and Plan assets

Statement of Profit and Loss for the year ended 31st March 2023							
							Amount (₹ in Lakhs)
19	Interest income	For the year ended March 31, 2023			For the year ended March 31, 2022		
		On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	Total	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	Total
	Interest on Loans		17,717.62	17,717.62		16,531.05	16,531.05
	Interest income from investments	-		-	-		-
	Financial investments - Debt	-		-	-		-
	Total	-	17,717.62	17,717.62	-	16,531.05	16,531.05
20	Others	For the year ended March 31, 2023	For the year ended March 31, 2022				
	Bad debts recovered from written off accounts	9.23	0.66				
	Interest received on fixed deposits	36.91	22.13				
	Interest income on Lease deposits	10.88	7.07				
	Profit on Sale of Assets	0.73	6.10				
	others	1.07	0.20				
	Total	58.82	36.16				

Statement of Profit and Loss for the year ended 31st March 2023			
		Amount (₹ in Lakhs)	
21	Finance cost	For the year ended March 31, 2023	For the year ended March 31, 2022
	On Financial liabilities measured at amortised cost		
	Interest expense on:-		
	Borrowings (other than debt securities)	-	-
	-Loans from Banks	4,449.50	4,157.89
	-Loans from Financial Institution/ NBFC	317.89	242.70
	-Cash Credit/SODL	254.25	1,294.38
	Other Borrowing Costs	125.31	77.83
	Finance Cost on Lease liability	116.79	66.72
	Total	<b>5,263.75</b>	<b>5,839.51</b>

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22	Impairment on financial instruments	For the year ended March 31, 2023			For the year ended March 31, 2022		
		On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total
	Loans and advances to customers	-	(1,657.29)	(1,657.29)		4,323.57	4,323.57
	Others						
	- Undrawn Commitments						
	- Trade receivables						
	- Assignment Receivables						
	- Lease Receivables						
	- Investment Through PTC						
	Total	-	(1,657.29)	(1,657.29)		<b>4,323.57</b>	<b>4,323.57</b>

		Amount (₹ in Lakhs)	
		For the year ended March 31, 2023	For the year ended March 31, 2022
<b>23</b>	<b>Bad Debts Written Off</b>		
	Loans and advances written off	3,242.39	738.65
	<b>Total</b>	<b>3,242.39</b>	<b>738.65</b>
<b>24</b>	<b>Employee benefit expenses</b>		
	Salaries, other allowances and bonus	2,866.94	2,111.31
	Contribution to provident and other funds	223.84	165.86
	Staff welfare expenses	295.07	213.32
	<b>Total</b>	<b>3,385.85</b>	<b>2,490.49</b>
<b>25</b>	<b>Depreciation, amortization and impairment</b>		
	Depreciation of tangible assets	145.13	114.49
	Amortisation of intangible assets	3.82	25.41
	Amortisation on right of use assets	278.85	234.50
	<b>Total</b>	<b>427.80</b>	<b>374.40</b>
<b>26</b>	<b>Other expenses</b>		
	Repairs and maintenance	190.12	68.33
	Office expenses	75.94	47.59
	Electricity expenses	38.94	28.18
	Donation	6.70	1.30
	Subscription and membership	5.93	5.37
	Printing and stationery	58.77	21.87
	Travelling and conveyance	29.76	17.28
	Advertisement	25.47	2.50
	Rent	43.34	33.52
	Directors' sitting fees	3.64	4.40
	Insurance	3.84	3.62
	Communication expenses	139.41	130.49
	Professional and Consultancy Fees	102.02	79.08
	CSR expenses	94.92	128.89
	Miscellaneous expenses	78.43	22.46
	Rates and Taxes	75.00	-
	Auditor fees*		
	(a) Audit Fees	10.90	6.00
	(b) Other Certification Fees/Quarterly Review	7.19	7.74
	<b>Total</b>	<b>990.34</b>	<b>608.60</b>
	* Other Certification Fees/Quarterly Review for the previous year includes Rs. 1.20 Lakhs paid to the previous Statutory Auditors.		
<b>26.1</b>	<b>Audit fees</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	<b>As auditor</b>		
	Statutory Audit fees	10.90	6.00
	Other Certification Fees/Quarterly Review	7.19	7.74
	<b>Total</b>	<b>18.09</b>	<b>13.74</b>

		Amount (₹ in Lakhs)	
27	Details of CSR expenditure:	31-03-2023*	31-03-2022*
	<b>a) Gross amount required to be spent by the Company during the year</b>	94.89	128.68
	<b>b) Amount spent during the year</b>		
	i) Construction/acquisition of any asset	-	-
	ii) On purposes other than (i) above	94.92	128.89
	(c) shortfall at the end of the year	-	-
	(d) total of previous years shortfall,	-	-
* There is no shortfall in the CSR amount required to be spent by the Company as per section 135(5) of the Act for the financial year ended March 31, 2023 and March 31, 2022.			
CSR activities include Education, Preventive Healthcare, Training and Skill Development, etc.,			
The company has not created any provision in respect of liability incurred by entering into contractual obligation during the year.			
28	Income tax	31-03-2023	31-03-2022
	Current Tax expenses	1,350.00	1,722.00
	Income tax of earlier years	29.89	(26.63)
	Deferred tax expenses	120.51	(1,172.62)
	<b>Total</b>	<b>1,500.40</b>	<b>522.75</b>
28.1	Reconciliation of the total tax charge		
	The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2023 and 2022 is, as follows:		
	Accounting profit before tax	6,123.59	2,191.97
	At India's statutory income tax rate of 25.168% (2022: 25.168%)	1,541.19	551.68
	<b><u>Adjustment in respect of income tax are as below</u></b>		
	CSR expenses	(23.89)	32.44
	Others	(46.79)	30.15
	Due to rate change	-	-
	<b>Income tax expense reported in the statement of profit and loss</b>	<b>1,470.51</b>	<b>549.39</b>

29	Deferred tax	Amount (₹ in Lakhs)					
			March 31, 2023		2022-23		
	Particulars	Net balance 01.04.2022	(Charge) / credit in profit and loss	Recognised in OCI	Net balance 31.03.2023	Deferred tax asset	Deferred tax Liability
	Impact of difference between tax depreciation and Book Depreciation / amortisation	(7.47)	(3.83)		(11.30)	-	(11.30)
	Remeasurement gain / (loss) on defined benefit plan	(14.59)	-	10.93	(3.65)	-	(3.65)
	Impairment allowance for loans	2,015.05	(387.85)		1,627.20	1,627.20	-
	Other Items	(16.58)	271.18		254.60	254.60	-
	<b>Total</b>	<b>1,976.42</b>	<b>(120.51)</b>	<b>10.93</b>	<b>1,866.84</b>	<b>1,881.80</b>	<b>(14.95)</b>
	Particulars		March 31, 2022		2021-22		
		Net balance 01.04.2021	(Charge) / credit in profit and loss	Recognised in OCI	Net balance 31.03.2022	Deferred tax asset	Deferred tax Liability
	Impact of difference between tax depreciation and Book Depreciation / amortisation	(13.12)	5.66	-	(7.47)	-	(7.47)
	Remeasurement gain / (loss) on defined benefit plan	-	-	(14.59)	(14.59)	-	(14.59)
	Impairment allowance for loans	766.01	1,249.04	-	2,015.05	2,015.05	
	Other Items	65.50	(82.08)	-	(16.58)		(16.58)
	<b>Total</b>	<b>818.38</b>	<b>1,172.62</b>	<b>(14.59)</b>	<b>1,976.42</b>	<b>2,015.05</b>	<b>(38.63)</b>

(All amounts are Rupees in Lakhs, except for share data or Unless otherwise stated)			
30	Earnings per share	FY 2022-23	FY 2021-22
	Net Profit after tax as per Statement of profit and loss (Rs. in lakhs) (A)	4,623.20	1,669.22
	Weighted average number of equity shares for calculating basic earnings per share (B)	9,92,00,000	9,59,94,521
	Effect of dilution:		
	Earnings per equity share (face value Rs. 10/- per equity share)		
	Basic and Diluted earnings per share (Rs.) (A/B)	4.66	1.74
	Nominal value per Equity Share (Rs.)	10	10
31	Segment information		
	<p>The Company operates under the principal business segment viz. "Providing loans for women members of self-help group". Further, the Company is operating in a single geographical segment. The Chief Operating Decision Maker (CODM) views and monitors the operating results of its single business segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statements. Accordingly, disclosures relating to primary and secondary business segments under the Indian Accounting Standard on 'Segment Reporting' (Ind AS 108) are not applicable to the Company.</p>		



<b>32</b>	<b>Retirement benefit plan</b>			
<b>32.1</b>	<b>Defined contribution plan</b>			
	A Contribution towards PF is determined under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and charged to the Statement of Profit and Loss during the period of incurrence when the services are rendered by the employees			
	The expense charged in statement of profit and loss amounting to Rs. 187.84 Lakhs (FY 2021-22: Rs.133.90 Lakhs) represents contributions payable to these plans by the Company at rates specified in the rules of the plan.			
<b>32.2</b>	<b>Defined benefit plan</b>			
	The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees.			
	The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:			
	<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>April 1, 2021</b>
	<b>A. Reconciliation of opening and closing balance of present value of defined benefit obligation</b>			
	Liability as at the beginning of the period	266.53	108.79	92.84
	Add Interest Cost:	21.34	11.46	8.02
	Add Current Service Cost:	70.98	191.97	19.56
	Less Benefits Paid directly by the Company::	-	-	-
	Less Benefits Paid directly from the Assets:	(73.98)	(3.58)	(2.49)
	Add Past Service Cost	-	-	-
	Add Settlement Cost	-	-	-
	Add Curtailment Cost	-	-	-
	Actuarial (gain) / loss (Financial Assumptions)	-	-	-
	Actuarial (gain) / loss (Demographic Assumptions)	-	-	-
	Actuarial (gain) / loss (Experience)	30.21	(42.11)	(9.14)
	<b>Liability as at the end of the period</b>	<b>315.07</b>	<b>266.53</b>	<b>108.79</b>
	<b>B. Reconciliation of opening and closing balances of fair value of plan assets</b>			
	Value of Assets as at the beginning of the Period:	274.83	153.77	91.26
	Add Adjustments to the Opening Balance:	15.77	-	-
	Add Expected Return on Assets:	20.39	14.46	7.83
	Add Contributions made:	46.81	113.25	56.16
	Less Benefits Paid out of the Assets:	(73.98)	(3.58)	(2.49)
	Return on Plan Assets excluding Expected income:	(1.31)	(3.07)	1.01
	<b>Value of Assets as at the end of the period:</b>	<b>282.51</b>	<b>274.83</b>	<b>153.77</b>
	<b>C. Expenses recognized in Other comprehensive Income</b>			
	Actuarial gain/(loss) in inter-valuation. Period (Experience): -- Obligation:	30.21	(42.11)	(9.14)
	Actuarial gain/(loss) in inter-valuation. Period (Change in parameters): -- Obligation:	-	-	-
	Actuarial (gain)/loss in inter-valuation Period: --	-	-	-

(Demographic) Obligation:			
Less Excess Return on Plan Assets over expected returns:	1.31	3.07	(1.01)
<b>Actuarial gain/loss in inter-valuation Period recognized in OCI:</b>	<b>31.52</b>	<b>(39.04)</b>	<b>(10.15)</b>
<b>D. Reconciliation of present value of defined benefit obligation and fair value of plan assets to the assets and liability</b>			
Present value of obligation on the accounting date:	(315.07)	(266.53)	(108.79)
Fair Value of Plan Assets on the accounting date:	282.51	274.83	153.77
Effect of Asset Ceiling	-	-	-
<b>Net Asset / (liability) recognised in Balance Sheet</b>	<b>(32.57)</b>	<b>8.30</b>	<b>44.99</b>
<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>April 1, 2021</b>
<b>E. Expenses Recognised in statement of profit and loss</b>			
Net Interest Cost	0.95	(2.99)	0.19
Current Service Cost	70.98	191.97	19.56
Past Service Cost	-	-	-
Curtailment Cost (Credit)	-	-	-
Settlement Cost (Credit)	-	-	-
<b>Expense to be recognized in statement of profit or loss</b>	<b>71.93</b>	<b>188.98</b>	<b>19.74</b>
<b>F.Reconcialition</b>			
Net Liability as at the beginning of the accounting period:	(8.30)	(44.99)	1.58
Expenses recognized in P/L a/c	71.93	188.98	19.74
Transferred to Other Comprehensive Income	31.52	(39.04)	(10.15)
less Adjustments to last valuation Closing Balance:	(15.77)	-	-
less Benefits paid directly by the Company	-	-	-
less Contributions made to the fund	(46.81)	(113.25)	(56.16)
<b>Liability recognized in the Balance Sheet as on the accounting date:</b>	<b>32.57</b>	<b>(8.30)</b>	<b>(44.99)</b>
<b>G. Actual return on plan assets</b>			
Expected return on Plan Assets	20.39	14.46	7.83
Actuarial gain (loss) on Plan Assets	(1.31)	(3.07)	1.01
<b>Actual return on Plan Assets</b>	<b>19.08</b>	<b>11.38</b>	<b>8.84</b>
<b>F. Actuarial assumption</b>			
Discount Rate	7.23%	7.36%	6.93%
Interest Rate (Rate of Return on Assets)	7.28%	7.52%	7.34%
Salary escalation Rate (per annum)	3.00%	3.00%	5.00%
Resignations Rate (per annum)	5.00%	3.00%	5.00%
Mortality	IALM (2012 - 14)	IALM (2012 - 14)	IALM (2012 - 14)
<b>G. Expected payment for future years from Gratuity trust fund</b>			

Within the next 12 months (next annual reporting period)	1.43	1.55	0.39	
Between 1 and 2 years	1.78	1.32	0.33	
Between 2 and 3 years	2.48	1.65	0.41	
Between 3 and 4 years	5.18	4.40	1.27	
Between 4 and 5 years	8.71	9.38	5.46	
Between 5 and 10 years	126.11	80.61	45.50	
<b>Total expected payments</b>	<b>145.70</b>	<b>98.91</b>	<b>53.36</b>	
The Company expects to contribute Rs. 60 lakhs to the fund in the next financial year.				
<b>H. Sensitivity analysis</b>				
	<b>March 31, 2023</b>		<b>March 31, 2022</b>	
<b>Sensitivity Level</b>	<b>0.5% increase</b>	<b>0.5% decrease</b>	<b>0.5% increase</b>	<b>0.5% decrease</b>
<b>Present Value of Obligation (Base)</b>	<b>315.07</b>		<b>266.53</b>	
Impact on defined benefit obligation (increase/(decrease) by) due to changes in				
- Discount rate	(14.68)	15.75	(14.98)	16.23
- Salary escalation	15.75	(14.68)	16.23	(14.98)
- Resignation rate	6.18	(6.55)	(7.60)	8.08

<b>32.3 Leave encashment/Compensated Absences:</b>			
Current Year Salary and wages includes Rs. 50.70 lakhs (PY Rs. 50.53 lakhs) towards provision made as per actuarial valuation in respect of accumulated leave salary encashable on retirement / death.			
The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet :			
<b>A. Reconciliation of opening and closing balance of present value of defined benefit obligation</b>			
<b>Particulars</b>	<b>31-03-2023</b>	<b>31-03- 2022</b>	<b>01-04-2021</b>
Liability as at the beginning of the period	98.08	47.56	32.84
Add Interest Cost:	7.22	3.30	2.18
Add Current Service Cost:	31.57	66.14	16.64
Less Benefits Paid directly by the Company::	-	-	-
Less Benefits Paid directly from the Assets:	-	-	-
Add Past Service Cost	-	-	-
Add Settlement Cost	-	-	-
Add Curtailment Cost	-	-	-
Actuarial (gain) / loss (Financial Assumptions)	-	-	-
Actuarial (gain) / loss (Demographic Assumptions)	-	-	-
Actuarial (gain) / loss (Experience)	11.91	(18.91)	(4.10)
<b>Liability as at the end of the period</b>	<b>148.79</b>	<b>98.08</b>	<b>47.56</b>
<b>B. Expenses recognized in Other comprehensive Income</b>			
Actuarial gain/(loss) in inter-valuation. Period (Experience): -- Obligation:	(11.91)	18.91	4.10
Actuarial gain/(loss) in inter-valuation. Period (Change in parameters): -- Obligation:	-	-	-
<b>Actuarial gain/loss in inter-valuation Period recognized in OCI:</b>	<b>(11.91)</b>	<b>18.91</b>	<b>4.10</b>
<b>C. The Amounts to be Recognized in the Balance Sheet</b>			
Present value of obligation on the accounting date:	(148.79)	(98.08)	(47.56)
Fair Value of Plan Assets on the accounting date:			
<b>Net Asset / (liability) recognised in Balance Sheet</b>	<b>(148.79)</b>	<b>(98.08)</b>	<b>(47.56)</b>
<b>D. Expenses Recognised in statement of profit and loss</b>			
Net Interest Cost	7.22	3.30	2.18
Current Service Cost	31.57	66.14	16.64
Net actuarial (gain)/loss recognized	11.91	(18.91)	(4.10)
<b>Expense to be recognized in statement of profit or loss</b>	<b>50.70</b>	<b>50.53</b>	<b>14.71</b>
<b>E.Reconcialition</b>			
Net Liability as at the beginning of the accounting period:	98.08	47.56	32.84
Expenses recognized in P/L a/c	50.70	50.53	14.71
Transferred to Other Comprehensive Income	-	-	-
less Adjustments to last valuation Closing Balance:	-	-	-
less Benefits paid directly by the Company	-	-	-
<b>Liability recognized in the Balance Sheet as on the accounting date:</b>	<b>148.79</b>	<b>98.08</b>	<b>47.56</b>
<b>F. Actuarial assumption</b>			
Discount Rate	7.23%	7.36%	6.93%
Interest Rate (Rate of Return on Assets)	7.28%	7.52%	7.34%
Salary escalation Rate (per annum)	3.00%	3.00%	5.00%
Resignations Rate (per annum)	5.00%	3.00%	5.00%
Mortality	IALM(2012-14)	IALM(2012-14)	IALM(2012-14)

<b>33</b>	<b>Related party disclosures</b>			
	(a) Disclosures in terms of Indian Accounting Standard 24 "Related Party Disclosure" ( Ind AS 24) are given below:-			
<b>33.1</b>	<b>List of related parties:</b>			
<b>a)</b>	<b>Key Management Personnel</b>			
	<b>Name of Party</b>	<b>Designation</b>		
	1. Smt. R. S. Isabella	Chairperson & Managing Director		
	2. Shri A.G. Venkatachalam	Whole Time Director		
	3. Shri P. Senthil Kumar	Chief Financial Officer		
	4. Shri. S. Yoganandhan	Company Secretary		
	5. Smt. Lakshmi Raghupathy	Company Secretary (Upto 09th April 2021)		
	6. Shri . V. Balasubramanian	Chief Financial Officer (Upto 30th April 2021)		
<b>b)</b>	<b>Persons having significant influence</b>			
	<b>Name of Party</b>	<b>Percentage of Holding as at 31.03.2023</b>	<b>Percentage of Holding as at 31.03.2022</b>	<b>Percentage of Holding as at 01.04.2021</b>
	1. Repco Bank Limited	68.15%	68.15%	68.21%
	2. Repco Home Finance Limited	31.85%	31.85%	31.79%

<b>33.3</b>	<b>The Company's related party balances and transactions are summarized as follows:</b>			
	<b>Remuneration paid to Key Management Personnel:</b>			
	<b>Name of Key Management Personnel</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	
	Smt. R. S. Isabella *	2.46	2.46	
	Shri A.G. Venkatachalam *	35.82	30.81	
	Shri P. Senthil Kumar *	23.31	19.80	
	Shri. S. Yoganandhan	10.28	6.86	
	Smt. Lakshmi Raghupathy	-	0.19	
	Shri . V. Balasubramanian	-	0.74	
	*Includes amount paid directly by Repco bank and reimbursed by the company and the amount disclosed excludes GST			
	<b>Other Related party transactions:</b>			
	<b>Nature of Transaction</b>	<b>Nature of Relationship</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	<b>Rent Reimbursement</b>			
	Repc Bank Limited	Persons having significant influence	22.89	18.23
	<b>Dividend Paid</b>			
	Repc Bank Limited	Persons having significant influence	338.00	377.60
	Repc Home Finance Limited	Persons having significant influence	158.00	176.00
	<b>Reimbursement of Management &amp; Deputed Officers' Remuneration.*</b>			
	Repc Bank Limited	Persons having significant influence	102.41	96.03
	<b>Interest paid on SODL</b>			
	Repc Bank Limited	Persons having significant influence	254.25	1,294.38
	<b>Interest paid on Term Loans</b>			
	Repc Bank Limited	Persons having significant influence	1,629.11	2,260.91
	*Includes amount paid directly by Repco bank and reimbursed by the company and the amount disclosed excludes GST			

<b>Related party outstanding balance</b>					
	<b>Nature of Transaction</b>	<b>Nature of Relationship</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>April 1, 2021</b>
	<b>Equity Shares</b>				
	RepcO Bank Limited	Persons having significant influence	6,760.00	6,760.00	4,720.00
	RepcO Home Finance Limited	Persons having significant influence	3,160.00	3,160.00	2,200.00
	<b>Balance in SODL/Cash Credit account maintained with the promoter</b>				
	RepcO Bank Limited	Persons having significant influence	13,954.30	19,886.70	19,722.73
	<b>Term loans availed from the promoter /Balance outstanding</b>				
	RepcO Bank Limited	Persons having significant influence	13,163.77	19,350.55	25,340.23

<b>34</b>	<b>Transfer of financial assets</b>		
<b>34.1</b>	<b>Transferred financial assets that are not derecognised in their entirety</b>		
	The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement		
<b>35</b>	<b>Contingent liabilities, commitments, and leasing arrangements</b>		
	<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	(i) Contingent Liability		
	(a) Disputed Income Tax	117.1	117.1

<b>36</b>	Leases – Ind AS 116			
<b>36.1</b>	Effective April 1 2021, the company has applied the standard to all lease contracts existing on April 1 2021 using the Modified Retrospective method. Being the first year of Ind AS adoption, company has recognised the lease liability and right-of-use asset as per above mentioned measurement principles at the date of transition to Ind AS as permitted by the Standard. A sum of Rs. 466.58 Lakhs has been recognised as ROU asset and a sum of Rs. 451.27 Lakhs has been recognised as lease liability as on transition date of 1st April 2021.			
<b>36.2</b>	The following is the summary of practical expedients elected on initial application: 1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date. 2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application. 3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.			
<b>36.3</b>	The company's leased assets mainly comprise office building. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1-9 years. The company has used an incremental borrowing rate of 10% to determine the lease liability and right to use of asset for leases .			
<b>36.4</b>	<b>Total lease liabilities are analysed as at</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>April 01, 2021</b>
	<b>a) Denominated in the following currencies:</b>			
	Rupees in Lakhs	1,385.20	981.71	451.27
	Foreign currency	-	-	-
	<b>Total</b>	<b>1,385.20</b>	<b>981.71</b>	<b>451.27</b>
	<b>b) Maturity of lease liability</b>			
	Current	20.21	25.78	62.66
	Non Current	1,364.99	955.94	388.61
	<b>Total</b>	<b>1,385.20</b>	<b>981.71</b>	<b>451.27</b>
<b>36.5</b>	<b>The following amounts were recognised as expense in the year:</b>			
	<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	
	Depreciation of right of use assets	278.85	234.50	
	Expense relating to variable lease payments	-	-	
	Expense relating to short-term leases, low-value assets and GST paid on rental expenditure not eligible for input credit	43.34	33.52	
	Interest on lease liabilities	116.79	66.72	
	<b>Total recognized in the Statement of profit and loss</b>	<b>438.99</b>	<b>334.73</b>	

<b>36.6</b>	<b>The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:</b>				
	<b>Maturity analysis</b>			<b>March 31, 2023</b>	<b>March 31, 2022</b>
	Less than 1 year			379.80	332.65
	Between 1 and 2 years			349.76	379.80
	Between 2 and 5 years			731.46	899.54
	More than 5 years			380.94	562.63
	<b>Total</b>			<b>1,841.96</b>	<b>2,174.61</b>
<b>36.7</b>	<b>The following is the movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022</b>				
	<b>Particulars</b>			<b>March 31, 2023</b>	<b>March 31, 2022</b>
	Balance as at 1st April			981.71	451.27
	Additions			619.38	721.88
	Finance cost accrued during the period			116.79	66.72
	Deletion			(8.11)	-
	Payment of lease liabilities			(324.58)	(258.16)
	Balance as 31st Mar			<b>1,385.20</b>	<b>981.71</b>



<b>37</b>	<b>RBI Disclosure</b>		
<b>37.1</b>	<b>Capital to risk assets ratio ('CRAR'):</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	<b>Particulars</b>		
	CRAR(%)	30.72%	28.55%
	CRAR-Tier I Capital (%)	28.91%	26.91%
	CRAR-Tier II Capital (%)	1.81%	1.64%
	Notes: Impairment allowance on Stage 1 & Stage 2 loans has been considered as 'contingent provision for standard asset' for the purpose of determining Tier II capital;		
<b>37.2</b>	<b>Investments</b>		
	The Company has not made any investments in the current and previous year.		
<b>37.3</b>	<b>Derivatives</b>		
	The Company has no transactions / exposure in derivatives in the current and previous year.		
	The Company has no unhedged foreign currency exposure as on March 31, 2023 (March 31, 2022: Nil).		

<b>37.4 Asset liability management</b>											
<b>Maturity pattern of assets and liabilities as on March 31, 2023</b>											
<b>Particulars</b>	<b>1 day to 7 days</b>	<b>8 days to 14 days</b>	<b>15 days to 30/31 days</b>	<b>1 to 2 months</b>	<b>2 to 3 months</b>	<b>3 to 6 months</b>	<b>6 months to 1 years</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Borrowings	264.48	391.21	2,138.82	2,726.31	2,735.14	8,020.88	28,712.04	27,019.91	-	-	72,008.79
Advances (Net of ECL)	295.03	2,225.81	2,225.81	4,396.44	4,306.66	12,493.61	21,850.83	53,971.13	318.79	-	1,02,084.11
Investments											
Foreign currency assets											
Foreign currency liabilities											
-											
-											
<b>Maturity pattern of assets and liabilities as on March 31, 2022</b>											
<b>Particulars</b>	<b>1 day to 7 days</b>	<b>8 days to 14 days</b>	<b>15 days to 30/31 days</b>	<b>1 to 2 months</b>	<b>2 to 3 months</b>	<b>to 6 months</b>	<b>6 months to 1 years</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Borrowings	-	140.91	1,899.54	2,039.09	2,048.19	8,325.76	30,556.47	24,677.20	2,357.72	-	72,044.88
Advances (Net of ECL)	659.55	2,182.35	2,182.35	4,251.48	4,173.00	12,009.26	21,979.22	47,571.54	-	-	95,008.75
Investments											
Foreign currency assets											
Foreign currency liabilities											

**37.5 Exposure to Capital Market & Real - estate sector**

The Company does not have any exposure to Capital Market and Real estate sector

**37.6 Details of financing of parent company products**

The Company has not financed any parent company products

**37.7 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by applicable NBFC**

The Company has not exceeded the prudential exposure limits during the year with respect to Single Borrower Limit / Group Borrower Limit

**37.8 Unsecured advances: Refer Note 6****37.9 Registration obtained from other financial regulators**

The Company is not registered with any other financial sector regulators / self-regulatory organisations (SRO) other than as below.

a) Ministry of Corporate Affairs

CIN : U74900TN2007PLCO64126

b) Reserve Bank of India

N-07-00780

c) Sa-dhan (SRO)

**37.1 Disclosure of penalties imposed by RBI and other regulators:**

No penalties were imposed by RBI and other regulators during current and previous year

**37.11 Ratings assigned by credit rating agencies and migration of ratings**

Particulars	Name of rating agency	Date of rating	Rating / (Previous year rating)	Borrowing limit / conditions imposed by rating agency (Rs.in lakh)
Long Term Bank Facilities	CARE	03-Jan-23	CARE BBB+; Stable (Triple B Plus; Outlook: Stable)	40000
Long Term Bank Facilities	ICRA	22-Apr-22	ICRA BBB; Stable (Triple B; Outlook Stable)	30000
MFI Grading	CARE	02-May-22	MFI2 (3rd highest grading on an eight-point scale)	NA

**37.12 Provisions and contingencies**

Particulars	March 31, 2023	March 31, 2022
Impairment of financial instruments	(1,657.29)	4,323.57
Provision for income tax	1,350.00	1,722.00
Provision for gratuity	53.12	128.54
Provision for leave encashment and availment	50.7	50.53
<b>Total</b>	<b>(203.46)</b>	<b>6,224.64</b>

The above represents amounts debited to the Statement of Profit and Loss.

**37.13 Drawdown from reserves**

There has been no draw down from reserves during the year ended March 31, 2023 (previous year: Nil)

**37.14 Concentration of advances, exposures and NPAs**

Particulars	March 31, 2023	March 31, 2022
<b>Concentration of advances</b>		
Total advances to twenty largest borrowers	30.26	24.79
(%) of advances to twenty largest borrowers to total advances	0.03%	0.03%
<b>Concentration of exposures</b>		
Total exposure to twenty largest borrowers / customers	30.26	24.79
(%) of exposures to twenty largest borrowers / customers to total exposure	0.03%	0.03%
<b>Concentration of NPAs</b>		
Total Exposure to top four NPA accounts	0.93	4.22

**37.15 Movement of NPAs****Particulars**

	March 31, 2023	March 31, 2022
--	----------------	----------------

**(i) Net NPAs to Net Advances (%)****(ii) Movement of NPAs (Gross)**

Opening Balance	9,346.04	4,337.69
Additions during the year	1,694.26	7,366.91
Reductions during the year (including loans written off)	-5,156.28	-2,358.56
Closing balance	5,884.02	9,346.04

**(ii) Movement of NPAs (Net)**

Opening Balance	2,837.51	1,232.72
Additions during the year	492.61	3,303.03
Reductions during the year (Including loans written off)	-1,992.21	-1,698.23
Closing balance	1,337.91	2,837.51

**(iv) Movement of provisions for NPAs**

Opening Balance	6,508.53	3,104.97
Provisions made during the year	1,201.65	4,063.88
Write off /write back of excess provision	-3,164.06	-660.32
Closing balance	4,546.12	6,508.53

37.15.1	GNPA% (Excluding Interest Accrued)	4.95%	7.82%
	NNPA % (Excluding Interest Accrued)	1.21%	2.59%

**37.16 Information on instances of fraud**

Instances of fraud reported during the year ended March 31, 2023

Nature of Fraud	No of cases	Amount of fraud	Recovery	Amount provided	
Cash embezzlement	2	0.13	0.13	-	-

The above fraud has not been reported to RBI since the amount is less than Rs 1 Lakh.

**37.17 The net interest margin (NIM)**

Particulars	March 31, 2023	March 31, 2022
Average interest	20.57%	17.25%
Average effective cost of borrowing	9.25%	9.28%
<b>Net interest margin</b>	<b>11.32%</b>	<b>7.97%</b>

Sectoral exposure						
Sectors	31-03-2023			31-03-2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
	(₹ Lakhs)	(₹ Lakhs)		(₹ Lakhs)	(₹ Lakhs)	
1. Agriculture and Allied Activities	26,347.09	975.62	3.70%	22,109.63	1482.47	6.71%
2. Industry (Retail)	81,280.24	4724.62	5.81%	80,069.50	7372.31	9.21%
3. Services	-	-	0.00%	-	-	0.00%
4. Personal Loans	-	-	0.00%	-	-	0.00%
5. Others, if any ( Service and related activities)	922.12	183.78	19.93%	952.25	491.27	51.59%
Note - Exposure to a specific sub-sector/industry of more than 10 per cent of Tier I Capital of the company is shows separately, exposures less than 10 per cent are clubbed under others.						

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman				
Sr. No		Particulars	Current Year	Previous Year
Complaints received by the NBFC from its customers				
1		Number of complaints pending at beginning of the year	4	3
2		Number of complaints received during the year	6	7
3		Number of complaints disposed during the year	7	6
	3.1	Of which, number of complaints rejected by the NBFC	Nil	Nil
4		Number of complaints pending at the end of the year	3##	4**
Maintainable complaints received by the NBFC from Office of Ombudsman				
5		Number of maintainable complaints received by the NBFC from Office of Ombudsman	5	2
		Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	6	1
		Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	Nil	Nil
		Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	Nil	Nil
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil
		-		
** Out of 4 pending complaints 3 complaints are relating to frauds already reported to RBI.				
## The pending 3 complaints are relating to frauds already reported to RBI.				



2) Top five grounds of complaints received by the NBFCs from customers					
Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Loans and advances	1	4	-20%	Nil	Nil
Levy of charges without prior notice/ excessive charges/ foreclosure charges	Nil	Nil	Nil	Nil	Nil
Non-observance of fair practices code	Nil	Nil	Nil	Nil	Nil
Staff behaviour	Nil	1	0%	Nil	Nil
Facilities for customers visiting the office/ adherence to prescribed working hours, etc.	Nil	Nil	Nil	Nil	Nil
Others	Nil	1	100%	Nil	Nil
Previous Year					
Loans and advances	2	5	N/A	Nil	Nil
Levy of charges without prior notice/ excessive charges/ foreclosure charges	Nil	Nil	N/A	Nil	Nil
Non-observance of fair practices code	Nil	Nil	N/A	Nil	Nil
Staff behaviour	5	1	N/A	Nil	Nil
Facilities for customers visiting the office/ adherence to prescribed working hours, etc.	Nil	1	N/A	Nil	Nil
Others	Nil	Nil	N/A	Nil	Nil

<b>37.19 Disclosure pursuant to RBI Notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13,2020</b>							
As at 31.03.2023							
	<b>Asset classification as per RBI Norms</b>	<b>Asset Classification as per IndAS109</b>	<b>Gross carrying amount as per IndAS</b>	<b>Loss Allowances (provisions) required under IndAS 109</b>	<b>Net carrying Amount</b>	<b>Provisions as per IRACP norms</b>	<b>Difference between IndAs 109 provisions and IRACP Norms</b>
	<b>Performing Assets</b>						
	Standard	Stage 1	1,01,528.31	1,362.64	1,00,165.67	406.11	956.53
		Stage 2	1,137.11	556.58	580.53	4.55	552.03
	<b>Standard assets total</b>		<b>1,02,665.42</b>	<b>1,919.22</b>	<b>1,00,746.20</b>	<b>410.66</b>	<b>1,508.56</b>
	<b>Non-Performing Assets (NPA)</b>						
	Substandard		2,866.26	2,300.08	566.18	286.63	2,013.45
	Doubtful up to 1 year		469.31	350.54	118.77	469.31	-118.77
	1 - 3 years		2,526.23	1,878.94	647.29	2,526.23	-647.29
	More than 3 years		22.22	16.55	5.66	22.22	-5.66
	<b>Doubtful assets total</b>		<b>3,017.76</b>	<b>2,246.04</b>	<b>771.72</b>	<b>3,017.76</b>	<b>-771.72</b>
	Loss Asset		-	-	-		-
	<b>NPA total</b>		<b>5,884.02</b>	<b>4,546.12</b>	<b>1,337.90</b>	<b>3,304.39</b>	<b>1,241.73</b>
	Total	Stage 1	1,01,528.31	1,362.64	1,00,165.67	406.11	956.53
		Stage 2	1,137.11	556.58	580.53	4.55	552.03
		Stage 3	5,884.02	4,546.12	1,337.90	3,304.39	1,241.73

As at 31.03.2022							
	Asset classification as per RBI Norms	Asset Classification as per IndAS109	Gross carrying amount as per IndAS	Loss Allowances (provisions) required under IndAS 109	Net carrying Amount	Provisions as per IRACP norms	Difference between IndAs 109 provisions and IRACP Norms
	Performing Assets						
	Standard	Stage 1	92,076.50	1,555.92	90,520.58	368.31	1,187.61
		Stage 2	1,708.84	58.18	1,650.66	6.84	51.35
	<b>Standard assets total</b>		<b>93,785.34</b>	<b>1,614.10</b>	<b>92,171.24</b>	<b>375.14</b>	<b>1,238.96</b>
	Non-Performing Assets (NPA)						
	Substandard		4,750.89	3,347.20	1,403.69	475.09	2,872.11
	Doubtful up to 1 year		3,307.04	2,319.41	987.62	3,307.04	-987.62
	1 - 3 years		1,288.11	841.92	446.19	1,288.11	-446.19
	More than 3 years		-	-	-	-	-
	Doubtful assets total		4,595.15	3,161.33	1,433.82	4,595.15	-1,433.82
	Loss Asset		-	-	-	-	-
	<b>NPA total</b>		<b>9,346.04</b>	<b>6,508.53</b>	<b>2,837.51</b>	<b>5,070.24</b>	<b>1,438.29</b>
	Total	Stage 1	92,076.50	1,555.92	90,520.58	368.31	1,187.61
		Stage 2	1,708.84	58.18	1,650.66	6.84	51.35
		Stage 3	9,346.04	6,508.53	2,837.51	5,070.24	1,438.29

As at 01.04.2021						
Asset classification as per RBI Norms	Asset Classification as per IndAS109	Gross carrying amount as per IndAS	Loss Allowances (provisions) required under IndAS 109	Net carrying Amount	Provisions as per IRACP norms	Difference between IndAs 109 provisions and IRACP Norms
Performing Assets						
Standard	Stage 1	84,764.37	633.24	84,131.14	339.06	294.18
	Stage 2	3,026.44	60.85	2,965.59	12.11	48.74
<b>Standard assets total</b>		<b>87,790.81</b>	<b>694.08</b>	<b>87,096.73</b>	<b>351.16</b>	<b>342.92</b>
Non-Performing Assets (NPA)						
Substandard		2,585.95	1,898.19	687.76	258.59	1,639.59
Doubtful up to 1 year		1,401.61	963.03	438.58	1,401.61	-438.58
1 - 3 years		329.73	223.36	106.37	329.73	-106.37
More than 3 years		20.40	20.40	-	20.40	-
Doubtful assets total		1,751.74	1,206.79	544.96	1,751.74	-544.96
Loss Asset		-	-	-	-	-
<b>NPA total</b>		<b>4,337.69</b>	<b>3,104.97</b>	<b>1,232.72</b>	<b>2,010.34</b>	<b>1,094.64</b>
Total						
	Stage 1	84,764.37	633.24	84,131.14	339.06	294.18
	Stage 2	3,026.44	60.85	2,965.59	12.11	48.74
	Stage 3	4,337.69	3,104.97	1,232.72	2,010.34	1,094.64

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2023, March 31, 2022 and April 1, 2021 and accordingly, no amount is required to be transferred to impairment reserve.

38	<b>Fair value measurement</b>	
	This note describes the fair value measurement of both financial and non-financial instruments and is structured as follows:	
	38.1	Valuation principles
	38.2	Valuation governance
	38.3	Valuation methodologies of financial instruments not measured at fair value
38.4	Fair value of financial instruments not measured at fair value	
38.1	<b>Valuation principles</b>	
	Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.	
38.2	<b>Valuation governance</b>	
	The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions. The responsibility of ongoing measurement resides with the business units Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions.	
38.3	<b>Valuation methodologies of financial instruments not measured at fair value</b>	
	Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the below tables	
38.3	<b>Loans and advances to customers</b>	
	The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Where such information is not available, the company uses historical experience and other information used in its collective impairment models.  Fair values of lending portfolios are calculated using a portfolio-based approach. The company then calculates and extrapolates the fair value to the entire portfolio, using discounted cash flow models that incorporate interest rate estimates considering all significant characteristics of the loans. The credit risk is applied as a top-side adjustment based on the collective impairment model incorporating probability of defaults and loss given defaults.	

38.4	Fair value of financial instruments not measured at fair value					
	Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are initially measured at fair value and subsequently carried at amortized cost in the financial statements.					
	March 31, 2023	Carrying value	Fair Value measurement using			
			Level 1	Level 2	Level 3	Total
	<b>Financial assets</b>					
	Cash and cash equivalents	513.14	513.14	-	-	513.14
	Bank balance other than cash and cash equivalents	15.12	15.12	-	-	15.12
	Loans	1,02,084.11	-	1,02,084.11	-	1,02,084.11
	<b>Total</b>	<b>1,02,612.37</b>	<b>528.26</b>	<b>1,02,084.11</b>	<b>-</b>	<b>1,02,612.37</b>
	<b>Financial liabilities</b>					
	Borrowings (other than debt securities)	72,008.78	-	72,008.78	-	72,008.78
	<b>Total</b>	<b>72,008.78</b>	<b>-</b>	<b>72,008.78</b>	<b>-</b>	<b>72,008.78</b>
	March 31, 2022	Carrying value	Fair Value measurement using			
			Level 1	Level 2	Level 3	Total
	<b>Financial assets</b>					
	Cash and cash equivalents	2,645.71	2,645.71	-	-	2,645.71
	Bank balance other than cash and cash equivalents	410.58	410.58	-	-	410.58
	Loans	95,008.75	-	95,008.75	-	95,008.75
	<b>Total</b>	<b>98,065.04</b>	<b>3,056.29</b>	<b>95,008.75</b>	<b>-</b>	<b>98,065.04</b>
	<b>Financial liabilities</b>					
	Borrowings (other than debt securities)	72,044.88	-	72,044.88	-	72,044.88
	<b>Total</b>	<b>72,044.88</b>	<b>-</b>	<b>72,044.88</b>	<b>-</b>	<b>72,044.88</b>
	April 1, 2021	Carrying value	Fair Value measurement using			
			Level 1	Level 2	Level 3	Total
	<b>Financial assets</b>					
	Cash and cash equivalents	6,641.76	6,641.76	-	-	6,641.76
	Bank balance other than cash and cash equivalents	400.48	400.48	-	-	400.48
	Loans	88,329.44	-	88,329.44	-	88,329.44
	<b>Total</b>	<b>95,371.69</b>	<b>7,042.24</b>	<b>88,329.44</b>	<b>-</b>	<b>95,371.69</b>
	<b>Financial liabilities</b>					
	Borrowings (other than debt securities)	69,892.76	-	69,892.76	-	69,892.76
	<b>Total</b>	<b>69,892.76</b>	<b>-</b>	<b>69,892.76</b>	<b>-</b>	<b>69,892.76</b>

<b>39</b>	<b>Risk management</b>
<b>39.1</b>	<b>Introduction and risk profile</b>
	Repco Micro Finance Limited (“Company”) is a leading NBFC – Micro Finance Institution (MFI) in India focused on providing financial support to women from low income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women members of Self-help groups. The wide range of lending products address the critical needs of customers throughout their lifecycle towards income generation.
<b>39.1.1</b>	<b>Risk management structure</b>
	The Company has in place a Risk Management Policy duly approved by the Board covering various aspects of the risk management. Board of Directors are responsible for effective risk management. It oversees and reviews the overall functioning of the risk management and provide necessary directions in this regard.
	The Risk Management Committee of the Board (RMC) is Board level committee entrusted with overseeing implementation of the Risk Management Policy / strategy approved by the Board. The committee reviews the functioning of the risk management framework at periodical intervals. It reviews the reports and directs for taking mitigating steps. The committee reports the status of the risk management of the company to the Board at periodical intervals through minutes of the meeting of the committee. The minutes of the committee are placed before the Board.
	Assets and Liabilities Management Committee (ALCO) addresses the market, interest rate and liquidity risks.
<b>39.1.2</b>	<b>Risk Identification</b>
	The Company has identified risk issues in various functions such as branches, departments in Corporate Office. Each risk is categorised as 'Operational Risk', "Credit Risk", "Market Risk", "Compliance Risk or 'Competition Risk".
<b>39.1.3</b>	<b>Risk measurement</b>
	Based on the velocity of impact, each risk in branch/division is categorised and prioritised. This is done to decide the quantum of focus required in respect of each risk issue. Higher Weightage is given for the risk that requires utmost priority.
<b>39.1.4</b>	<b>Risk Monitoring</b>
	The frequency for monitoring each risk issue is sequentially reviewed.
<b>39.1.5</b>	<b>Risk Assessment methodology</b>
	The risk is assessed based on self-assessment by the owners of risk at the prescribed intervals. Each risk issue has to be assessed by the owners of the risk and provide a report. The report is subject to verification by Internal Inspection Department and by Internal Auditors. Accordingly, each branch assesses the level of compliance in respect of each risk issue and submits a compliance report. .
<b>39.1.6</b>	<b>Measurement of Risk</b>
	Based on the Self -assessment reports from various risk owners, the quantum of risk that are reported by the owners are calculated for various categories of risks such as credit risk, operational risk, compliance risk, etc.. Risk is also measured in terms of high, medium and low. This would help us to arrive at the direction of risk.
<b>39.1.7</b>	<b>Credit risk</b>

	Credit risk is the risk of loss that may occur from defaults by borrowers under loan agreements. In order to address credit risk, the Company has stringent credit assessment policies for client selection. Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behaviour also supplement the efforts for containing credit risk. Company predominantly operate in rural and semi urban areas, where we are of the view that the impact of credit risk is limited. Most of our borrowers are into Agriculture, Dairy, Animal Husbandry, textiles, cottage and small trading businesses, where they operate in a 25 km radius. As on date these businesses are running as usual with minimum or no impact.
<b>39.1.7.1</b>	<b>The company's internal grading</b>
	The company's Credit Department operates its internal rating models. The company is concentrating on a products designed to support households having limited access to financial services, accordingly all the customers categorised under low grade. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour.
<b>39.1.7.2</b>	<b>Impairment - Expected credit loss (ECL)</b>
	The application of Ind AS 109 has necessitated fundamental changes to the accounting for expected default risk (risk provisioning). Specifically, the incurred loss model has been replaced by the Expected Credit Loss model (ECL). Consequent to this change, the Expected Credit losses on financial instruments are classified under three stages.
	<b>Stage 1:</b> Every financial asset is classified as stage 1, upon initial recognition. In addition, stage 1 contains all transactions with limited default risk.
	<b>Stage 2:</b> Financial assets whose default risk has risen significantly since initial recognition and which are not classified as cases with limited default risk.
	<b>Stage 3:</b> Financial assets that display objective evidence of impairment at the reporting date.
	The accounting standard, Ind AS 109 does not specifically prescribe any methodology for computing ECL. However, entities are required to adopt sound and market acceptable methodologies which are in line with the size, complexity and risk-profile of the financial entity for computing the ECL. The Company uses three main components to measure ECL. These are, Exposure at default (EAD), Probability of Default (PD) and Loss Given Default(LGD)Exposure at default (EAD) is defined as the sum of Principal outstanding and interest accrued at the reporting date.
	PD is defined as the probability of borrowers defaulting on their obligations.
	LGD represents the economic loss. Company uses historical loss data for identified homogenous pools for the purpose of calculating LGD. For individual cases where there as been a significant deterioration in recovery, the LGD is considered to be 100%.
	Accordingly, loan assets are categorised under three different stages, as under:
	<b>Stage 1:</b> Where instalments are Current and 0-30 days overdue
	<b>Stage 2:</b> Where instalments are 31 days - 90 days overdue and
	<b>Stage 3:</b> Where instalments are overdue beyond 90 days
	The company is required to provide 12-month Expected Credit Loss (12-month ECL) for stage 1 assets and the Life Time Expected Credit Loss (LECL) for stage 2 & stage 3 assets
	12-month ECL is the expected credit loss that results from default events that are possible within 12 months after the reporting date. LECL



	represents the expected credit loss from default events over the expected life of a financial asset.
	As prescribed under para 5.5 in Ind AS 109, 12-months PD is required to be computed for financial instruments which are in stage 1, and life time PD for those in stage 2 & 3. 12-months PD is the likelihood of the borrower defaulting in the 12 months following the reporting date while life time PD is the likelihood of the borrower defaulting during the residual tenor.
	The PD model has been developed for all the major asset classes using a statistical and iterative approach. The design and construction of the model involves identification of various credit parameters and variables that have a strong and direct correlation to propensity of default. The PD model reflects to the probability of default, taking into consideration the inherent credit quality of the borrower and the residual tenor of each contract. The PD for stage 3 contracts is considered at 100%.
	LGD represents the economic loss, adjusted for cure rate, as a percentage of exposure at the time of default. Economic loss is the estimated shortfall in realisation of dues, in the event of default. Contracts that have turned delinquent do not necessarily involve ultimate losses, since many of them are resolved through corrective actions. The cure rate is the probability of a 'non performing' (i.e. defaulted) contract reverting to a 'performing' (i.e. non-default) status in a year.
<b>39.1.8</b>	<b>Operational Risk</b>
	Operational risks arise from inadequate or failed internal processes, people or systems, or from external events. The Company's controls its operational risk by maintaining a comprehensive system of internal controls supported by an on-the-ground internal audit team which conducts check at the client and branch levels concurrently with checks and balances instituted at the corporate level. In addition, the company has leveraged technology to enhance data integrity and swifter reporting to help in providing actionable intelligence to contain fraud by taking measures such as verifying client details and documentation online and using credit bureau data to get information on potential frauds.
<b>39.1.9</b>	<b>Compliance Risk</b>
	Based on the guidelines received from regulatory and statutory authorities and also based on the policy requirements, the compliance risks issues are identified, assessed and monitored for compliance.
<b>39.1.10</b>	<b>Market Risk</b>
	The Company is exposed to various types of market risks during the normal course of business such as credit risk, operational risk, cash management risk Market Exposure risk, Liquidity risk and Interest rate risk.
<b>39.1.11</b>	<b>Interest Rate Risk</b>
	Interest rate risk is the risk where changes in market interest rates might adversely affect Company's financial condition and the changes in interest rates affect the company significantly. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM)..
	In case of the company, it may be noted that portfolio loans are not rate sensitive as re-pricing of existing loans are not carried out. Only liabilities in the form of borrowings are rate sensitive and considering the size of company's business the quantum of impact of change of interest rate of borrowings on liquidity is not significant and can be managed with appropriate action.
	<b>Sensitivity analysis on Net Interest</b>
	The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's profit and loss statement.

		As at March 2023		As at March 2022	
Particulars		Increase by	Decrease	Increase by	Decrease by 25bps
		25bps	by 25bps	25bps	
	Impact on profit before tax- Gain/ (Loss)	-167.07	167.07	-175.85	175.85
<b>39.1.12</b>	<b>Cash Management Risk</b>				
	The Company's branches collect and deposit a large amount of cash through a high volume of transactions taking place in company's branch network. To address the cash management risks, the Company has developed advanced cash management checks that it employs at multiple levels to track and tally accounts. The Company ensures that cash collected every day is deposited at local bank branches on the same day. Further, company is having Insurance Coverage for Cash-in-Transit.				
<b>39.1.13</b>	<b>Market Exposure risk</b>				
	Market risk is that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately.				

<b>39.1.13</b>	<b>Total market risk exposure</b>				
	<b>As at 31.03.2023</b>				
	Assets	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
	Cash and cash equivalent and other bank balances	513.14	-	513.14	No market risk
	Fixed deposits	15.12	-	15.12	No interest risk as fixed interest rate
	<b>Total</b>	<b>528.26</b>	<b>-</b>	<b>528.26</b>	
	<b>Liabilities</b>				
	Borrowings (other than Debt Securities)	72,008.78	-	72,008.78	Interest rate risk on floating rate interest loans
	Other financial liabilities	1.41	-	1.41	No market risk
	<b>Total</b>	<b>72,010.18</b>	<b>-</b>	<b>72,010.18</b>	
	<b>As at 31.03.2022</b>				
	Assets	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
	Cash and cash equivalent and other bank balances	2,645.71	-	2,645.71	No market risk
	Fixed deposits	410.58	-	410.58	No interest risk as fixed interest rate
	<b>Total</b>	<b>3,056.29</b>	<b>-</b>	<b>3,056.29</b>	
	<b>Liabilities</b>				
	Borrowings (other than Debt Securities)	72,044.88	-	72,044.88	Interest rate risk on floating rate interest loans
	Other financial liabilities	-	-	-	
	<b>Total</b>	<b>72,044.88</b>	<b>-</b>	<b>72,044.88</b>	
	<b>As at 01.04.2021</b>				
	Assets	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
	Cash and cash equivalent and other bank balances	6,641.76	-	6,641.76	No market risk
	Fixed deposits	400.48	-	400.48	No interest risk as fixed interest rate
	<b>Total</b>	<b>7,042.24</b>	<b>-</b>	<b>7,042.24</b>	
	<b>Liabilities</b>				
	Borrowings (other than Debt Securities)	69,892.76	-	69,892.76	Interest rate risk on floating rate interest loans
	Other financial liabilities	1.55	-	1.55	No market risk
	<b>Total</b>	<b>69,894.31</b>	<b>-</b>	<b>69,894.31</b>	

<b>39.1.14 Liquidity assessment as on 31.03.2023</b>												
	<b>Particula</b>	<b>1 day to 7 days</b>	<b>8 days to 14 days</b>	<b>15 days to 30/31 days</b>	<b>1 to 2 months</b>	<b>2 to 3 months</b>	<b>3 to 6 months</b>	<b>6 months to 1 year</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	Borrowings											
	Borrowings (other than debt securities)	264.48	391.21	2,138.82	2,726.31	2,735.14	8,020.88	28,712.04	27,019.91	-	-	72,008.79
<b>Liquidity assessment as on 31.03.2022</b>												
	<b>Particulars</b>	<b>1 day to 7 days</b>	<b>8 days to 14 days</b>	<b>15 days to 30/31 days</b>	<b>1 to 2 months</b>	<b>2 to 3 months</b>	<b>3 to 6 months</b>	<b>6 months to 1 year</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	Borrowings											
	Borrowings (other than debt securities)	-	140.91	1,899.54	2,039.09	2,048.19	8,325.76	30,556.47	24,677.20	2,357.72	-	72044.88
<b>Liquidity assessment as on 01.04.2021</b>												
	<b>Particulars</b>	<b>1 day to 7 days</b>	<b>8 days to 14 days</b>	<b>15 days to 30/31 days</b>	<b>1 to 2 months</b>	<b>2 to 3 months</b>	<b>3 to 6 months</b>	<b>6 months to 1 year</b>	<b>1 to 3 years</b>	<b>3 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	Borrowings											
	Borrowings (other than debt securities)	-	67.42	3,207.35	1,674.60	1,602.49	4,622.90	29,792.56	22,986.37	5,939.07	-	69892.76

<b>40. Analysis of risk concentration</b>					
<b>Industry analysis</b>					
<b>March 31, 2023</b>	<b>Financial services</b>	<b>Government</b>	<b>Agri &amp; Retail</b>	<b>Services &amp; Others</b>	<b>Total</b>
<b>Financial assets</b>					
Cash and cash equivalents	513.14	-	-	-	513.14
Bank balance other than cash and cash equivalents	15.12	-	-	-	15.12
Loans	-	-	1,01,312.96	771.15	1,02,084.11
<b>Total Financial asset</b>	<b>528.26</b>	<b>-</b>	<b>1,01,312.96</b>	<b>771.15</b>	<b>1,02,612.37</b>
<b>Financial liabilities</b>					
Borrowings (other than debt securities)	72,008.78	-	-	-	72,008.78
Other financial liabilities	1.41	-	-	-	1.41
<b>Total Financial liabilities</b>	<b>72,010.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,010.18</b>
<b>March 31, 2022</b>	<b>Financial services</b>	<b>Government</b>	<b>Agri &amp; Retail</b>	<b>Services &amp; Others</b>	<b>Total</b>
<b>Financial assets</b>					
Cash and cash equivalents	2,645.71	-	-	-	2,645.71
Bank balance other than cash and cash equivalents	410.58	-	-	-	410.58
Loans	-	-	94,400.48	608.27	95,008.75
<b>Total Financial asset</b>	<b>3,056.29</b>	<b>-</b>	<b>94,400.48</b>	<b>608.27</b>	<b>98,065.04</b>
<b>Financial liabilities</b>					
Borrowings (other than debt securities)	72,044.88	-	-	-	72,044.88
Other financial liabilities	-	-	-	-	-
<b>Total Financial liabilities</b>	<b>72,044.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,044.88</b>
<b>April 1, 2021</b>	<b>Financial services</b>	<b>Government</b>	<b>Agri &amp; Retail</b>	<b>Services &amp; Others</b>	<b>Total</b>
<b>Financial assets</b>					
Cash and cash equivalents	6,641.76	-	-	-	6,641.76
Bank balance other than cash and cash equivalents	400.48	-	-	-	400.48
Loans	-	-	86,803.78	1,525.66	88,329.44
<b>Total Financial asset</b>	<b>7,042.24</b>	<b>-</b>	<b>86,803.78</b>	<b>1,525.66</b>	<b>95,371.69</b>
<b>Financial liabilities</b>					
Borrowings (other than debt securities)	69,892.76	-	-	-	69,892.76
Other financial liabilities	1.55	-	-	-	1.55
<b>Total Financial liabilities</b>	<b>69,894.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,894.31</b>

41. Following are the contractual maturities of financial liability/financial assets at the reporting date. Loans, debt securities and borrowings include estimated interest receipts / payments.													
As on March 31, 2023	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
<b>Financial Assets</b>													
Cash and cash equivalents	513.14	-	-	-	-	15.12	-	-	-	-	-	-	528.26
Bank Balance other than Cash and cash equivalents													
Loans	295.03	2,225.81	2,225.81	4,396.44	4,306.66	12,493.61	21,850.83	53,971.13	318.79	-	-	-	1,02,084.11
<b>Financial Liabilities</b>													
Borrowings	264.48	391.21	2,138.82	2,726.31	2,735.14	8,020.88	28,712.04	27,019.91	-	-	-	-	72,008.79
Other financial liabilities													
<b>As on March 31, 2022</b>	<b>1 day to 7 days</b>	<b>8 days to 14 days</b>	<b>15 days to 30/31 days</b>	<b>Over one month to 2 months</b>	<b>Over 2 months to 3 months</b>	<b>Over 3 to 6 months</b>	<b>Over 6 months to 1 year</b>	<b>Over 1 year to 3 years</b>	<b>Over 3 to 5 years</b>	<b>Over 5 to 7 years</b>	<b>Over 7 to 10 years</b>	<b>Over 10 years</b>	<b>Total</b>
<b>Financial Assets</b>													
Cash and cash equivalents	2,645.71	-	-	-	-	410.58	-	-	-	-	-	-	3,056.29
Bank Balance other than Cash and cash equivalents													
Loans	659.55	2,182.35	2,182.35	4,251.48	4,173.00	12,009.26	21,979.22	47,571.54	-	-	-	-	95,008.75
<b>Financial Liabilities</b>													
Borrowings	-	140.91	1,899.54	2,039.09	2,048.19	8,325.76	30,556.47	24,677.20	2,357.72	-	-	-	72,044.88
Other financial liabilities													

As on April 1, 2021	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
<b>Financial Assets</b>													
Cash and cash equivalents	6641.76	-	-	-	-	400.48	-	-	-	-	-	-	7,042.24
Bank Balance other than Cash and cash equivalents													
Loans	601.90	1,964.59	1,964.59	3,910.44	3,900.71	11,525.08	21,851.74	42,617.18	-	-	-	-	88,336.23
<b>Financial Liabilities</b>													
Borrowings	-	67.42	3,207.35	1,674.60	1,602.49	4,622.90	29,792.56	22,986.37	5,939.07	-	-	-	69,892.76
Other financial liabilities													

42. The table below shows the contractual expiry by maturity of the company's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

March 31, 2023			On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Other undrawn commitments to lend			-	-	-	-	-	-
March 31, 2022			On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Other undrawn commitments to lend			-	-	-	-	-	-
April 1, 2021			On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Other undrawn commitments to lend			-	-	-	-	-	-



**43 First time adoption of Ind AS**

The financial statements, for the year ended March 31, 2023, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2022, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

The Company has prepared its financial statements as per Ind AS for the year ended March 31, 2023 with April 1, 2021 being the date of transition. The comparative figures in the Balance Sheet as at March 31, 2022 and April 1, 2021 and Statement of Profit and Loss and Statement of Cash Flow for the year ended March 31, 2022 have been restated accordingly. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements.

**43.1 Optional Exemptions from retrospective application**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has applied the following exemptions:

**Ind AS 16 Property, Plant and equipment/Ind AS 38 Intangible asset** - The Company has elected to continue with the carrying amount for all of its PPE, intangible asset measured as per Previous GAAP and use that as deemed cost as at the date of transition. The Company does not have any decommissioning liability as on transition date.

The Company as a lessee has applied the provisions of IND AS 116 on lease by lease basis.

The Company has elected not to apply the requirements of IND AS 116 for lease terms which ends within 12 months from the date of transition and where management does not have an intention to continue the lease.

Similarly the Company has also elected not to apply the requirements of IND AS 116 where the underlying asset value is of low value.

The Company has used Modified Retrospective Approach to account for lease liability and the corresponding right of use asset at the transition date.

**43.2 Mandatory Exceptions from retrospective application**

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101

**i) Estimates** - On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

**ii) Classification and measurement of financial assets** - The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

**43.3 The principal adjustments made by the Company in restating its Indian GAAP financial statements are as below:****A.Reconciliation of cash flows for the year ended March 31 2022**

There were no significant reconciliation items between cash flow prepared under GAAP and those prepared under Ind AS.

**B. Reconciliation of Equity as at 1st April, 2021 and 31st March, 2022**

Refer Annexure I

**C. Reconciliation of Profit for year ended 31st March 2022** Refer Annexure II

Annexure - 1								
B. Reconciliation of Equity as at 1st April, 2021 and 31st March, 2022								
Amount (₹ in Lakhs)								
	Particulars	Reference Notes	Previous GAAP	Ind AS Adjustments As at 31-03-2022	As at 31st March, 2022	Previous GAAP	Ind AS Adjustments As at 01-04-2021	As at 1st April 2021
<b>I</b>	<b>ASSETS</b>							
<b>(1)</b>	<b>Financial Assets</b>							
	(a) Cash and cash equivalents		2,645.71	-	2,645.71	6,641.76	-	6,641.76
	(b) Bank Balance other than (a) above		410.58	-	410.58	400.48	-	400.48
	(c) Receivables		-	-	-	-	-	-
	(d) Loans	a&b	94,252.34	756.41	95,008.75	88,390.21	(60.77)	88,329.44
<b>(2)</b>	<b>Non-financial Assets</b>							
	(a) Current tax assets (Net)		132.05	-	132.05	25.10	-	25.10
	(b) Deferred Tax assets (Net)	c	2,032.27	(55.85)	1,976.42	764.85	53.53	818.38
	(c) Property, plant and Equipment		485.22	-	485.22	354.75	-	354.75
	(d) Intangible Assets		1.33	-	1.33	26.74	-	26.74
	(e) Right-of-use assets	d	-	975.43	975.43	-	466.59	466.59
	(f) Other non-financial assets	e	344.36	(29.70)	314.66	216.82	(15.32)	201.50
	<b>Total assets</b>		<b>1,00,303.87</b>	<b>1,646.28</b>	<b>1,01,950.15</b>	<b>96,820.71</b>	<b>444.03</b>	<b>97,264.74</b>
<b>II</b>	<b>LIABILITIES AND EQUITY</b>							
<b>(1)</b>	<b>Financial Liabilities</b>							
	(a) Payables							
	<b>(I) Trade Payables</b>							
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-	-
	<b>(II) Other Payables</b>							
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-

	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-	-
	(b) Borrowings (Other than Debt Securities)	a	72,133.48	(88.59)	72,044.88	69,942.71	(49.95)	69,892.76
	(c) Lease Liabilities	d	-	981.71	981.71	-	451.27	451.27
	(d) Other financial liabilities		-	-	-	1.55	-	1.55
<b>(2)</b>	<b>Non-Financial Liabilities</b>							
	(a) Current tax liabilities (Net)							
	(b) Provisions		98.08	-	98.08	47.56	-	47.56
	(c) Other non-financial liabilities		213.35	-	213.35	378.48	-	378.48
<b>(3)</b>	<b>Equity</b>							
	(a) Equity share capital		9,920.00	-	9,920.00	6,920.00	-	6,920.00
	(b) Other Equity		17,938.96	753.16	18,692.12	19,530.42	42.71	19,573.13
	<b>Total Liabilities and Equity</b>		<b>1,00,303.87</b>	<b>1,646.28</b>	<b>1,01,950.15</b>	<b>96,820.71</b>	<b>444.03</b>	<b>97,264.74</b>

\*The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Annexure - 2					
C. Reconciliation of Profit for year ended 31st March 2022					
Amount (₹ in Lakhs)					
	Particulars	Reference Notes	Indian GAAP	Ind AS Adjustments	For the year ended March 31, 2022
	<b>Revenue from operations</b>				
I	Interest income	a	15,406.91	1,124.14	16,531.05
II	Other income	a & d	842.53	(806.37)	36.16
<b>III</b>	<b>Total Income (I+II)</b>		<b>16,249.44</b>	<b>317.77</b>	<b>16,567.21</b>
	<b>Expenses</b>				
(i)	Finance costs	a & d	5,811.45	28.06	5,839.51
(ii)	Impairment on financial instruments	b	4,830.05	(506.48)	4,323.57
(iii)	Bad debts written off		738.65	-	738.65
(iv)	Employee Benefits Expenses	e	2,432.54	57.95	2,490.49
(v)	Depreciation, amortization and impairment	d	139.91	234.49	374.40
(vi)	Other expenses	d	866.76	(258.16)	608.60
<b>IV</b>	<b>Total expenses (IV)</b>		<b>14,819.36</b>	<b>(444.12)</b>	<b>14,375.24</b>
V	Profit /(Loss) before exceptional items and tax	(III-IV)	<b>1,430.08</b>	<b>761.89</b>	<b>2,191.97</b>
VI	Exceptional items		-	-	-
VII	Profit /(Loss) before tax	(V-VI)	<b>1,430.08</b>	<b>761.89</b>	<b>2,191.97</b>
VIII	Tax Expenses				
	(1) Current Tax		1,722.00	-	1,722.00
	(2) Deferred Tax		(1,267.42)	94.80	(1,172.62)
	(3) Tax expense of earlier year		(26.63)	-	(26.63)
IX	Profit /(loss) for the period from continuing operations	(VII-VIII)	<b>1,002.13</b>	<b>667.09</b>	<b>1,669.22</b>
X	Profit /(Loss) from discontinued operations				
XI	Tax expense of discontinued operations				
XII	Profit /(Loss) from discontinued operations (After tax)	(X-XI)	-	-	-
<b>XIII</b>	<b>Profit /(Loss) for the period</b>	<b>(IX+XII)</b>	<b>1,002.13</b>	<b>667.09</b>	<b>1,669.22</b>
<b>XIV</b>	<b>Other Comprehensive Income</b>	<b>f</b>			
	(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)				
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
	<b>Subtotal (A)</b>		-	-	-
	(B) (i) Items that will be reclassified to profit or loss (specify items and amounts)		-	<b>57.96</b>	<b>57.96</b>
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	<b>(14.59)</b>	<b>(14.59)</b>
	<b>Subtotal (B)</b>		-	<b>43.37</b>	<b>43.37</b>
<b>XV</b>	<b>Total comprehensive income for the period (Comprising Profit (loss) and other comprehensive income for the period)</b>	<b>(XIII + XIV)</b>	<b>1,002.13</b>	<b>710.46</b>	<b>1,712.59</b>

\*The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

<b>44</b>	<b>Reference Notes to Reconciliation:</b>
<b>a</b>	<b>1. Impact on Effective interest rate (EIR) on processing fees on Loans and Borrowings:</b>
	<p>Under Previous GAAP, loan processing fees received in connection with loans portfolios were recognized upfront and credited to profit or loss for the period. Under Ind AS, loan processing fee is credited to profit and loss using the effective interest rate method (amortising the processings over the period of the loan). The unamortized portion of loan processing fee is adjusted from the loan portfolio.</p> <p>For Borrowings under Previous GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind-AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.</p>
<b>b</b>	<b>Expected credit losses on loans:</b>
	<p>Under Previous GAAP, the Company has created provision for loans and advances based on the provisioning norms prescribed by the Reserve Bank of India in NBFC Master Directions. Under Ind AS, loan assets are classified based on staging criteria prescribed under Ind AS 109 - Financial instruments and impairment is computed based on Expected Credit Loss model. Under Indian GAAP provision for Non-Performing Asset and standard asset were presented under provisions. However, under Ind AS, financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Company has reclassified the Indian GAAP provisions against standard assets / NPAs and netted it off against loan balance.</p>
<b>C</b>	<b>Deferred tax</b>
	<p>Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.</p> <p>In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.</p>
<b>D</b>	<b>Lease accounting</b>
	<p>Under the previous GAAP, the lease rentals on operating leases were accounted as rent. Under the Ind AS, a Right to Use of asset and lease liability are created and depreciation is charged on the Right to use of asset and finance cost is charged on lease liability.</p>
<b>E</b>	<b>Remeasurement of Actuarial Gain /Losses</b>
	<p>Under Indian GAAP, actuarial gains/losses on defined benefit plans is recognized in the income statement. Under Ind AS, the Company has recognized the actuarial gains/losses relating to retirement benefit plans in other comprehensive income.</p>
<b>F</b>	<b>Other comprehensive income</b>
	<p>Under Previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Previous GAAP profit or loss to profit or loss as per Ind AS. Further, Previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.</p>

## 45 Liquidity Risk

Public Disclosure on Liquidity Risk for the period ended March 31, 2023 pursuant to RBI circular dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

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

Sr. No.	Number of Significant Counterparties	Amount (Rs. in Lakhs)*	% of Total deposits	% of Total liabilities
1	1	13,954.30	Not Applicable	13.06%
2	1	13,161.96	Not Applicable	12.32%
3	1	10,719.36	Not Applicable	10.03%

## (ii) Top 20 large deposits (amount in Rs. in lakhs and % of total deposits)

---- Not Applicable ----

## (iii) Top 10 borrowings (amount in Rs. in Lakhs and % of total borrowings)

Particulars	As at March 31, 2023
Total amount of top 10 borrowings	66,352.35
Percentage of amount of top 10 borrowings to total borrowings	92.14%

## (iv) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	Amount (Rs. in Lacs)	% of Total liabilities
1	Term loans	58,054.48	54.35%
2	Secured Overdraft Facility	13,954.30	13.06%

## (v) Stock Ratios:

Particulars	as a % of Total public funds	as a % of Total liabilities	as a % of Total assets
(a) Commercial papers	NA	NA	NA
(b) Non-convertible debentures (original maturity of less than one year)	NA	NA	NA
(c) Other short-term liabilities*	NA	42.65%	42.65%

\*includes cash credit, working capital demand loans and other short term loans with original maturity of less than one year

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

Asset Liability Committee (ALCO) constituted with members of Board of Directors reviews the Asset Liability Management (ALM) position on periodical basis. ALM Sub-committee constituted with Division heads and other officers' reviews the ALM position, including liquidity risk on constant basis. Company prepares and submits to RBI every month the 'Statement of Structural Liquidity' in specified format and ensures Net cumulative mismatch is within the permitted limit.

**\*Notes:**

1) Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

2) Significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

3) Total Liabilities has been computed as sum of all liabilities.

46	There were few breach of loan covenants during the year for facilities availed from lenders. However, the company has concluded that these loan covenants are not substantive in nature based on specific facts and circumstances applicable to it. The company has already sent the waiver request letters to lenders with respect to these breaches. Hence, this non-substantive or minor breaches of debt covenants would not result in loan being classified as "current" as long as the lender has not recalled the loan prior to the date of approval of financial statements. No banker has recalled any loan/penalised for any covenants breaches.						
47	Ratios required under Schedule III of Companies Act 2013						
	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance (if above 25%)
	Capital to risk-weighted assets ratio (CRAR)	32,650.13	1,06,310.29	30.71%	28.55%	8%	N/A
	Tier I CRAR	30,731.01	1,06,310.29	28.91%	26.91%	7%	
	Tier II CRAR	1,919.12	1,06,310.29	1.81%	1.64%	10%	
	Liquidity Coverage Ratio.	N/A					
48	No Benami Property is held by the Company and or there are no proceedings have been initiated or pending against the company for holding any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.						
49	The Company has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.						
50	There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.						
51	The clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the company.						
52	Utilisation of Borrowed funds and share premium						
	<p>A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -</p> <p>(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or</p> <p>(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;</p> <p>B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall -</p> <p>(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or</p> <p>(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.</p>						
53	The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year						
54	There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.						
55	Previous year figures						
	Figures under previous GAAP have been regrouped/ reclassified for Ind AS purpose wherever applicable.						

**Accounting Policies and Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March 2023:****1. Corporate Information:**

Repco Micro Finance Limited (herein after referred to as “RMFL” / “the Company”) was incorporated on 27th June 2007. (CIN No. U74900TN2007PLC064126)

RMFL is predominantly engaged in the business of providing financial and other related support service to Individual members of Self Help Group (SHG) with a view to enhance their income generation capabilities, registered with Reserve Bank of India (RBI) as a Non-Banking Finance Company - Micro Finance Institution (NBFC-MFI).

The company provides collateral free loans to Individual members of self-help groups and the repayment of the loans are by way of equated monthly instalments. The company also provides collateral free non microfinance loans to individuals.

The company continues to undertake the business of NBFC-MFI requiring the holding of Certificate of Registration (COR) under section 45-IA of the RBI act, 1934 dated 23rd January 2014 and the company also fulfilled all conditions stipulated to be classified as NBFC-MFI.

The Registered Office of the Company is at Repco tower, 33, North Usman Road, T.Nagar, Chennai-600017 and the Corporate office functions at Karumuttu Centre, 634, Anna Salai, Nandanam, Chennai - 600035

**2A. Basis of Preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 (“the Act”). The rules specify the Indian Accounting Standards (Ind AS) applicable to certain class of companies and sets out dates of applicability. RMFL, being a Non-Banking Financial Company, for which IND AS is applicable from Phase III as defined in the said notification, is required to apply the standards as specified in Companies (Indian Accounting Standards) Rules, 2015. Hence, the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 with transition date of 1<sup>st</sup> April 2021. The financial statements have been prepared on a going concern basis.

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended till date)] and other relevant provisions of the Act.

In respect of significant accounting matters, the Company has analysed the provisions contained in Ind AS and the relevant guidance as per RBI Guidelines and has adopted appropriate accounting treatment while ensuring compliance with RBI Guidelines. The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India for NBFC-MFI’s and follows the provisioning norms as per Reserve Bank of India or Ind AS whichever is more stringent.

For all periods up to and including the year ended March 31, 2022, the Company prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP) notified under section 133 of the Companies Act, 2013 (‘the Act’), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (‘the NBFC Master Directions’) issued by RBI.

The financial statements for the year ended March 31, 2023 are the first, the Company has prepared in accordance with Ind AS. The Company has applied Ind AS 101 - First time adoption of Indian Accounting Standards, for transition from previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 43.

**2B. Presentation of financial statements**



The Company presents its balance sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are only offset and reported net when INDAS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event.

Similarly, the Company offsets incomes and expenses on a net basis only when it is specifically permitted to do so by INDAS.

## **2C. Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

## **2D. Summary of Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented.

### **i. Financial Instruments:**

#### **a) Date of recognition**

Financial assets and liabilities, with the exception of loans, debt securities and borrowings are initially recognized on the transaction date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans are recognized on the date when funds are disbursed to the customer. The Company recognizes debt securities and borrowings when funds are received by the Company.

#### **b) Initial measurement of financial instruments**

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

#### **c) Measurement categories of financial assets and liabilities**

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either Amortized Cost, FVOCI or FVTPL.

Financial liabilities and other than loan commitments are measured at amortized cost or FVTPL when fair value designation is applied.

**d) Bank balances, Loans, Trade receivables and financial investments at amortised cost**

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

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

**e) The SPPI (Sole payment of Principal and Interest) test**

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

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

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

**f) Financial assets or financial liabilities held for trading**

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

Included in this classification are debt securities, equities, and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

**g) Debt securities and other borrowed funds**

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

**h) Financial assets and financial liabilities at fair value through profit or loss**

Financial Liabilities and Financial assets in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

**i) Reclassification of financial assets and liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

**j) Derecognition of financial assets and liabilities**

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition. A transfer only qualifies for derecognition if either the Company has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

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

**k) Impairment and Write-offs of financial assets*****Overview of the ECL principles***

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

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

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

Both Lifetime ECLs and 12-month ECLs are calculated on individual basis, depending on the nature of the underlying portfolio of financial instruments.

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

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

**Stage 1**

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low

credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances up to 30 days default under this category.

### **Stage 2**

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Above 30 Days Past Due is considered as significant increase in credit risk.

### **Stage 3**

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

As required by RBI Circular reference no. RBI/2019- 20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020; where impairment allowance under Ind AS 109 is lower than the provisioning required as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc., the Company shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

### **The mechanics of ECL**

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

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

**Probability of Default (PD)** - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PD is further explained in Note 39.

**Exposure at Default (EAD)** - The Exposure at Default is an estimate of the exposure at a future default date. The concept of PD is further explained in Note 39.

**Loss Given Default (LGD)** - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note 39.

### **Forward looking information**

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

The above calculated PDs, EAD and LGDs are reviewed annually and changes in the forward-looking estimates are analysed.

### **Write-offs**

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

## **ii. Leases**

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has obtained substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. After the commencement date, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is also remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest on the lease liability is recognised in the statement of Profit & Loss except to the extent that it can be allocated to any Property, Plant & Equipment. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

## **iii. Revenue Recognition**

### **Interest Income**

#### **Effective interest Rate (EIR)**

The Company computes Interest income by applying the Effective interest rate (EIR) to the gross carrying amount of a financial asset except for

- Purchased or originated credit-impaired financial assets, where the company applies the credit adjusted EIR to the amortised cost of the financial asset from initial recognition, and
- Financial assets that are not purchased or originated credit impaired financial assets but subsequently have become credit-impaired financial assets, where the company applies EIR to the amortised cost of the financial asset in subsequent reporting periods.

The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the EIR, the Company includes all fees and charges paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts, but not future credit losses.

Interest income on all financial assets required to be measured at FVTPL is recognised using the contractual interest rate.

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

The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL on net basis.

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised.

Interest income on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### **iv. Finance cost**

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the amortised cost of the financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

- As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- By considering all the contractual terms of the financial instrument in estimating the cash flows
- Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in Finance Cost with the corresponding adjustment to the carrying amount of the Liabilities.

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

#### **v. Property, plant and equipment ('PPE')**

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

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

#### **vi. Intangible assets**

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

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

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

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

### **Transition To Ind AS**

For transition to Ind AS, the Company has elected to continue with the carrying value of all assets, recognised as of 1 April 2021 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### **vii. Depreciation and Amortization**

#### **Depreciation**

Depreciation on PPE (other than freehold land and properties under construction) is recognised and measured on the depreciable amount ( being cost less residual value) using the straight-line method as per the useful life given in Schedule II except the following cases where it is depreciated as per the useful lives estimated by management. Assets costing less than Rs. 5000/- are fully depreciated in the year of purchase. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and the effect of any changes in estimate accounted for on a prospective basis.

#### **Amortisation**

Amortisation on intangible assets is recognised on a straight line basis over the estimated useful life of the asset. The estimated useful life and amortisation method are reviewed at the end of each reporting period, for the effect of any changes in estimate being accounted for on prospective basis. Management has estimated the useful life of Software to be the license period or 3 years, whichever is lower.

### **viii. Provisions**

Provisions are recognized only when there is a present obligation, as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

### **ix. Contingent Liabilities And Assets**

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.

Contingent liabilities are reviewed at each Balance Sheet date.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

Contingent assets are reviewed at each Balance Sheet date.

#### **x. Taxes**

Income tax expenses represents the sum of Current Tax and Deferred Tax

##### **Current Income Tax**

Current income tax assets and liabilities, including any adjustments of current tax for prior periods, are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961, using tax rates that have been enacted or substantively enacted by the end of reporting period.

Current income tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

Current tax assets and current tax liabilities are offset if a legally enforceable right exists to set off the recognized amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

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

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

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

#### **xi. Retirement And Other Employee Benefits**



**Defined Contribution Plan**

Retirement benefits in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the respective fund. The Company recognises contribution payable to the respective fund as an expenditure, when an employee renders the related service.

**Defined benefit plan**

The Company makes an annual contribution to Gratuity Fund administered by Trustees and managed by LIC. The Company accounts for its liability based on actuarial valuation, as at balance Sheet Date

**Leave salary**

The Company treats accumulated leave expected to be carried forward beyond twelve months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided based on the actuarial valuation using the projected unit credit method at the end of each financial year.

**xii. Earning Per Share Basic**

Ind AS 33 states that, earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**xiii. Statement of Cash Flows**

The Statement of Cash flows are reported, in accordance with Ind AS7, using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The Statement of Cash flows from operating, investing and financing activities of the company are segregated.

**xiv. Accounting policies, Changes in Accounting Estimates & Errors**

The preparation of financial statements in conformity with Ind AS 8 requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

**xv. Related party disclosures**

All transactions entered by the Company with related parties were in the ordinary course of business and at arm's length pricing basis.

The policy on related party transactions as approved by the Board is provided in the Company's website under the tab Company policies. Transactions with the related parties are disclosed under the head "Related Party Disclosure" as set out in Note 33 to the Financial Statements forming part of Annual report.

**xvi. Determination of fair value**

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

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

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

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

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

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

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

- Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.
- Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

## **2E. Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are as below:

- a. Measurement of Expected Credit Loss
- b. Measurement of useful life of Property, Plant & Equipment
- c. Estimation of Taxes on Income
- d. Estimation of Employee Benefit Expense
- e. Effective Interest Rate
- f. Provisions and other contingent liabilities

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### **Judgements**

In the process of applying the Company's accounting policies, management has made various judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that 16<sup>th</sup> Annual General Meeting of Repco Micro Finance Limited will be held on Monday, 11<sup>th</sup> September, 2023 at 11.30 A.M at Corporate Office at No. 634, 2<sup>nd</sup> Floor, Karumuttu Centre, Anna Salai, Nandanam, Chennai-600035 to transact the following business: -

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statement of the company for the Financial Year ended 31<sup>st</sup> March, 2023, the Reports of Directors' and Auditor's thereon.
2. To declare dividend on the equity shares of the Company for the financial year ended 31st March, 2023.
3. To appoint a Director in place of Shri. C Thangaraju (DIN: 00223383), who retires by rotation and being eligible, offers himself for re-appointment.
4. To fix the remuneration of Auditors for the year 2023-2024 by passing the following as an Ordinary Resolution.

**RESOLVED THAT** pursuant to Section 142 of the Companies Act, 2013, the Rules made thereunder and as recommended by the Audit Committee, the remuneration to M/s. Rajagopal & Badri Narayanan, Chartered Accountants, Chennai (Firm Registration No. 003024S), Statutory Auditors of the Company for the year 2023-2024 is fixed as Rs. 10,00,000/- (Rupees Ten lakhs Only) towards statutory audit, Rs 1,00,000/- (Rupees One lakh Only) towards quarterly review for the quarter ending June' Sep' and December, and one-time Ind-AS transition fee of Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand only) plus reimbursement of out of pocket expenses and applicable taxes

**SPECIAL BUSINESS****5. Appointment of Shri. S. T. Kannan as an Independent Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, consent of the members be and is hereby given to the appointment of Shri. S. T. Kannan (DIN: 00277899), appointed as Additional Director and subsequently he was appointed as an Independent Director of the Company with effect from 16 May, 2023 and who holds office up to the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and being qualified for appointment as Independent Director and in respect of whom the Company has received a notice in writing from a member proposing the candidature for the office of Independent Director to hold office for 3 consecutive years for a term from 16 May, 2023 up to 15 May, 2026”

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary of the Company, be and is /are hereby authorized, singly and/or jointly to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

**6. Appointment of Shri. R. Suresh as an Independent Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, consent of the members be and is hereby given to the appointment of Shri. R. Suresh (DIN: 09099261), appointed as Additional Director and subsequently he was appointed as an Independent Director of the Company with effect from 16 May, 2023 and who holds office up to the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and being qualified for appointment as Independent Director and in respect of whom the Company has received a notice in writing from a member proposing the candidature for the office of Independent Director to hold office for 3 consecutive years for a term from 16 May, 2023 up to 15 May, 2026”

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary of the Company, be and is /are hereby authorized, singly and/or jointly to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

**7. Appointment of Shri. S Rathinasundaram as Director of the Company.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

**RESOLVED THAT** Shri. S Rathinasundaram (DIN : 10150583), who was appointed as an Additional Director of the Company with effect from 16-05-2023 pursuant to the provisions of Section 161 of the Companies Act, 2013 (“Act”) and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offer himself for appointment and in respect of whom the Company has received a notice in writing from a Member, pursuant to the provisions of Section 160 of the Act, signifying their intention to propose the candidature Shri. S Rathinasundaram for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation, with effect from the date of this Meeting.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152, and 160 other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Shri. S Rathinasundaram be paid such fees for attending the meetings as the Board may approve from time to time and subject to such limits as prescribed by the Act;

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary of the Company, be and is /are hereby authorized, singly and/or jointly to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

**8. Re-appointment of Shri. S. Nagoor Ali Jinnah as an Independent Director of the Company.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and any other applicable act(s)/ rule(s)/ regulation(s), amendment(s), Shri S. Nagoor Ali Jinnah (DIN No. 05238633), Independent Director of the Company whose tenure will end on 28<sup>th</sup> September, 2023 and who is eligible for re-appointment for a second term under the provisions of Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a period of 5 consecutive years from 29<sup>th</sup> September, 2023 up to 28<sup>th</sup> September, 2028,.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary of the Company, be and is /are hereby authorized, singly and/or jointly to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

**9. Re-appointment of Shri. Ramachandran Balachandran as an Independent Director of the Company.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and any other applicable act(s)/ rule(s)/ regulation(s), amendment(s), Shri. Ramachandran Balachandran (DIN No. 01648200), Independent Director of the Company whose tenure will end on 28<sup>th</sup> September, 2023 and who is eligible for re-appointment for a second term under the provisions of Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a period of 5 consecutive years from 29<sup>th</sup> September, 2023 up to 28 September, 2028.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary of the Company, be and is /are hereby authorized, singly and/or jointly to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

**10. To approve revision in the remuneration payable to Smt. R. S. Isabella Chairman and Managing Director of the company.**

To consider and, if thought fit, to pass with or without modification/s, the following Resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, consent of the Members is accorded for increase in the remuneration to Smt. R. S Isabella, (DIN: 06871120) Chairperson cum Managing Director, be and is hereby revised to a sum not exceeding Rs. 35,000 per month (Rupees Thirty-Five Thousand Only) including all allowances, etc., w.e.f. 01-06-2023 which will be reimbursed to Repco Bank

**RESOLVED FURTHER THAT** the Directors or Shri. A.G. Venkatachalam, Whole Time Director (DIN - 05289154) or Sri S. Yoganandhan, Company Secretary be and are hereby severally authorized to file necessary forms and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.”

By order of the Board,  
For Repco Micro Finance Limited,

Date: 16.08.2023  
Place: Chennai.

A.G. Venkatachalam  
Whole Time Director  
(DIN No. 05289154)

**NOTES:-**

- a) An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the Meeting are annexed hereto.
- b) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member. The proxies form should, however, be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.
- c) The dividend, after declaration, will be paid to those members of the Company, whose names appear on the register of members as on the date of AGM.
- d) Shareholders desiring any information as regards the accounts are required to write to the company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.

e) All documents referred to in accompanying Notice and Explanatory statement are open for inspection at the registered/corporate office of the Company during the office hours on all working days except Saturdays/Sundays and holidays between 11.00 A.M. and 1.00 P.M till the date of meeting.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

**Item No. 5.**

The Board of Directors of the Company had appointed Shri. S. T. Kannan (DIN: 00277899), as an Additional Director of the Company with effect from 06-02-2023, subsequently upon enrollment in the Independent Directors Data bank maintained by Indian Institute of Corporate Affairs he was appointed as an Independent Director of the company in the Board meeting held on 16-05-2023.

In accordance with the provisions of Section 161 of the Companies Act, 2013. Shri. S. T. Kannan shall hold office up to the date of the forthcoming annual general meeting and is eligible to be appointed as a Director. The Company has received form DIR-8 from Shri. S. T. Kannan, that he is not disqualified from being appointed as Director, in terms of Section 164 of the Act, he meets the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and he has met the fit and proper person criteria to be appointed as a Director of the Company as prescribed by the Reserve Bank of India (“RBI”).

**Brief Profile of the Director Seeking Appointment**

Shri. S. T. Kannan, aged 64, is a retired General Manager in Reserve Bank of India brings in rich experience and expertise in supervision & regulation of banks and financial institutions and also a faculty member at Staff Training College, Chennai. He has relevant experience in evolution of policy guidelines on compensation packages of board level appointments

During his tenure as GM in RBI, he represented RBI in the Board of M/s. Tamil Nadu Mercantile Bank and M/s. Dhanalakshmi Bank Ltd as a Nominee Director and contributed to resolution of governance issues.

Shri. S. T. Kannan shall be entitled to receive sitting fees for attending Board and Committee meetings as decided by the board of directors of the Company from time to time.

The letter of appointment of Shri. S. T. Kannan setting out the terms and conditions of appointment is being made available for inspection by the members at the registered office of the Company during business hours.

Shri. S. T. Kannan is not holding any shares in the Company.

**Pecuniary relationship, directly or indirectly, with the Company / relationship with managerial personnel:**

Shri. S. T. Kannan has no pecuniary relationship directly or indirectly, with the Company or relationship with any of the managerial personnel of the Company.

### Justification for appointment of Shri. S. T. Kannan

The Nomination & Remuneration Committee after taking into account the knowledge, acumen, expertise and experience in the field of Banking and Financial Institution, has recommended to the Board as an Independent Director of the Company.

Accordingly, it is proposed to appoint Shri. S. T. Kannan as an Independent Director of the Company, not liable to retire by rotation and to hold office for a period of 3 (Three) consecutive years on the Board of the Company from 16 May, 2023.

Requisite Notice from a member under Section 160 of the Companies Act, 2013 ('the Act') proposing the appointment of Shri. S. T. Kannan has been received by the Company.

### **Disclosure of Interest:**

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution other than Shri. S. T. Kannan, as a Director.

The Directors recommend the aforesaid resolution for the approval of the members by way of an Ordinary Resolution.

### **Item No. 6**

The Board of Directors of the Company had appointed Shri. R. Suresh (DIN: 09099261), as an Additional Director of the Company with effect from 06-02-2023, subsequently upon enrollment in the Independent Directors Data bank maintained by Indian Institute of Corporate Affairs he was appointed as an Independent Director of the company in the Board meeting held on 16-05-2023.

In accordance with the provisions of Section 161 of the Companies Act, 2013. Shri. R. Suresh shall hold office up to the date of the forthcoming annual general meeting and is eligible to be appointed as a Director. The Company has received form DIR-8 from Shri. R. Suresh, that he is not disqualified from being appointed as Director, in terms of Section 164 of the Act, he meets the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and he has met the fit and proper person criteria to be appointed as a Director of the Company as prescribed by the Reserve Bank of India ("RBI"). Further his appointment tenor is subject to the fulfillment of regulatory enactment as applicable.

### **Brief Profile of the Director Seeking Appointment**

Shri. R. Suresh, aged 61, is a retired General Manager of Indian Overseas Bank has close to four decades of banking experience including as Chief Regional Manager. He has rich experience and expertise as the Chief Risk Officer of IOB.

During his tenure, he represented IOB in the Board of M/s. PSB Alliance Private Limited.

Shri. R. Suresh shall be entitled to receive sitting fees for attending the Board and Committee meetings as decided by the board of directors of the Company from time to time.

The letter of appointment of Shri. R. Suresh setting out the terms and conditions of appointment is being made available for inspection by the members at the registered office of the Company during business hours.

Shri. R. Suresh is not holding any shares in the Company.

**Pecuniary relationship, directly or indirectly, with the Company / relationship with managerial personnel:**

Shri. R. Suresh has no pecuniary relationship directly or indirectly, with the Company or relationship with any of the managerial personnel of the Company.

Justification for appointment of Shri. R. Suresh

The Nomination & Remuneration Committee after taking into account the knowledge, acumen, expertise and experience in the field of Banking and Financial Institution, has recommended to the Board as an Independent Director of the Company.

Accordingly, it is proposed to appoint Shri. R. Suresh as an Independent Director of the Company, not liable to retire by rotation and to hold office for a period of 3 (Three) consecutive years on the Board of the Company from 16 May, 2023.

Requisite Notice from a member under Section 160 of the Companies Act, 2013 ('the Act') proposing the appointment of Shri. R. Suresh has been received by the Company.

**Disclosure of Interest:**

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution other than Shri. R. Suresh, as a Director.

The Directors recommend the aforesaid resolution for the approval of the members by way of an Ordinary Resolution.

**Item No. 7**

Appointment of Shri. S Rathinasundaram as Director

Shri. S Rathinasundaram (DIN: 10150583) was appointed as an Additional Director of the Company with effect from 16-05-2023 by the Board of Directors under Section 161 of the Act and Article 60 of the Articles of Association of the Company.

In terms of Section 161(1) of the Act, Shri. S Rathinasundaram can hold office only upto the date of the forthcoming Annual General Meeting and is eligible to be appointed as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying their intention to propose Shri. S Rathinasundaram as a Director of the Company.

Requisite Notice from a member under Section 160 of the Companies Act, 2013 ('the Act') proposing the appointment of Shri. S Rathinasundaram has been received by the Company.

Profile as per secretarial standards

Shri. S Rathinasundaram aged 53, a Farmer, Real Estate Agent and a Socio Cultural Environmentalist. In Socio Cultural activity, he has completed so many projects in and around Thanjavur towards Public Welfare including Construction, repair and maintenance of public streets, Provided sanitation and proper drainage, etc.,

At present, he is one among the elected director(s) by repatriates in Repco Bank (the promoter) and nominated as a Director in Repco Micro Finance Ltd.

Disclosure of Interest:

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution other than Shri. S Rathinasundaram.

The Directors recommend the aforesaid resolution for the approval of the members by way of an Ordinary Resolution.

**Item No. 8**

Shri S. Nagoor Ali Jinnah (DIN No. 05238633) was appointed as an Independent Director of the Company pursuant to Section 149 and Section 152 of the Companies Act, 2013, read with rules made thereunder, by the shareholders at the 13<sup>th</sup> AGM held on 23 October 2020, to hold office up to 28th September 2023.

The Nomination and Remuneration committee, at its meeting held on 28<sup>th</sup> July, 2023, after taking into account his performance and contribution during his first tenure as Independent Director of the company recommended to the Board his reappointment for a second term of 5 years.

In view of the above, the Nomination and Remuneration committee and the Board are of the view that Shri S. Nagoor Ali Jinnah possesses the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to reappoint him as an Independent Director. Based on the recommendation of the Nomination and Remuneration committee, the Board, at its meeting held on 28<sup>th</sup> July, 2023, has recommended the reappointment of Shri S. Nagoor Ali Jinnah as an Non-Executive & Independent Director, not liable to retire by rotation, for a second term of 5 years effective 29<sup>th</sup> September, 2023 upto 28 September, 2028.

In accordance with the provisions of Section 149 of the Companies Act, 2013, an independent director may hold office for two terms up to five consecutive years each. This proposed term will be the second and final term of Shri S. Nagoor Ali Jinnah in the company.

The Company has received form DIR-8 from Shri S. Nagoor Ali Jinnah, that he is not

disqualified from being appointed as Director, in terms of Section 164 of the Act, he meets the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and he has met the fit and proper person criteria to be appointed as a Director of the Company as prescribed by the Reserve Bank of India (“RBI”). Further his appointment tenor is subject to the fulfilment of regulatory enactment as applicable.

**Brief Profile of the Director Seeking re-appointment**

Shri. S. Nagoor Ali Jinnah, aged 65, is retired CGM of NABARD with 37 years of experience in development banking, institutional development and rural banking supervision he was in charge of Microcredit in Odisha and Kerala and played a significant role in microcredit movement (Kudumbasree in Kerala, Mission Shakthi in Odisha); was involved as CGM and director in NABFINS and NABKISAN in financing direct funding and refinance to MFIs

The letter of appointment of Shri. S. Nagoor Ali Jinnah setting out the terms and conditions of appointment is being made available for inspection by the members at the registered office of the Company during business hours.

Shri. S. Nagoor Ali Jinnah is not holding any shares in the Company.

**Pecuniary relationship, directly or indirectly, with the Company / relationship with managerial personnel:**

Shri. S. Nagoor Ali Jinnah has no pecuniary relationship directly or indirectly, with the Company or relationship with any of the managerial personnel of the Company.

**Performance evaluation & Justification for re-appointment of Shri. S. Nagoor Ali Jinnah**

The Nomination & Remuneration Committee considered the contributions made by Shri. S. Nagoor Ali Jinnah on Policies, Internal Audit, Internal Inspections, Risk mitigation, and scrutinizing the CSR Projects & impact assessment, etc.,

Further the committee considered his expertise in Microfinance Business, policy making, risk mitigation measures, and envisaged the audit plans he has suggested, continuation of Shri. S. Nagoor Ali Jinnah is desired to comply with Governance Practice & Targeted Financial Milestone and recommended to the Board as an Independent Director of the Company.

Accordingly, it is proposed to appoint Shri. S. Nagoor Ali Jinnah as an Independent Director of the Company, not liable to retire by rotation and to hold office for a period of 5 (Five) consecutive years on the Board of the Company from 29 September, 2023.

Requisite Notice from a member under Section 160 of the Companies Act, 2013 (‘the Act’) proposing the appointment of Shri. S. Nagoor Ali Jinnah has been received by the Company.

**Disclosure of Interest:**

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution other than Shri. S. Nagoor Ali Jinnah, as a Director.

The Directors recommend the aforesaid resolution for the approval of the members by way of a Special Resolution.

#### **Item No.9**

Shri. Ramachandran Balachandran (DIN No. 01648200) was appointed as an Independent Director of the Company pursuant to Section 149 and Section 152 of the Companies Act, 2013, read with rules made thereunder, by the shareholders at the 13<sup>th</sup> AGM held on 23 October 2020, to hold office up to 28th September 2023.

The Nomination and Remuneration committee, at its meeting held on 28<sup>th</sup> July, 2023, after taking into account his performance and contribution during his first tenure as Independent Director of the company recommended to the Board his reappointment for a second term of 5 years.

In view of the above, the Nomination and Remuneration committee and the Board are of the view that Shri. Ramachandran Balachandran possesses the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to reappoint him as an Independent Director. Based on the recommendation of the Nomination and Remuneration committee, the Board, at its meeting held on 28<sup>th</sup> July, 2023, has recommended the reappointment of Shri. Ramachandran Balachandran as an Independent Director, not liable to retire by rotation, for a second term of 5 years effective 29<sup>th</sup> September, 2023 upto 28 September, 2023.

In accordance with the provisions of Section 149 of the Companies Act, 2013, an independent director may hold office for two terms up to five consecutive years each. This proposed term will be the second and final term of Shri. Ramachandran Balachandran in the company.

The Company has received form DIR-8 from Shri. Ramachandran Balachandran, that he is not disqualified from being appointed as Director, in terms of Section 164 of the Act, he meets the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and he has met the fit and proper person criteria to be appointed as a Director of the Company as prescribed by the Reserve Bank of India ("RBI"). Further his appointment tenor is subject to the fulfilment of regulatory enactment as applicable.

#### **Brief Profile of the Director Seeking re-appointment**

Shri. Ramachandran Balachandran, aged 62, is a Practicing Chartered Accountant for more than 3 decades and handled Internal Audits, Statutory Audits & Taxation.

The letter of appointment of Shri. Ramachandran Balachandran, setting out the terms and conditions of appointment is being made available for inspection by the members at the registered office of the Company during business hours.

Shri. Ramachandran Balachandran is not holding any shares in the Company.

**Pecuniary relationship, directly or indirectly, with the Company / relationship with managerial personnel:**

Shri. Ramachandran Balachandran has no pecuniary relationship directly or indirectly, with the Company or relationship with any of the managerial personnel of the Company.

Performance evaluation & Justification for re-appointment of Shri. Ramachandran Balachandran

The Nomination & Remuneration Committee considered the contributions made by Shri. Ramachandran Balachandran in scrutinizing the adopted Accounting Principles, Appointment of Internal & Statutory Auditors, IS Audit report and VAPT audit report, etc.,

Further the committee considered his expertise in accounting parlance especially in Microfinance sector and has much relevance from the audit perspective and suggested continuation of Shri. Ramachandran Balachandran is desired to comply with Governance Practice and recommended to the Board as an Independent Director of the Company.

Accordingly, it is proposed to appoint Shri. Ramachandran Balachandran as an Independent Director of the Company, not liable to retire by rotation and to hold office for a period of 5 (Five) consecutive years on the Board of the Company from 29 September, 2023.

Requisite Notice from a member under Section 160 of the Companies Act, 2013 ('the Act') proposing the appointment of Shri. Ramachandran Balachandran has been received by the Company.

**Disclosure of Interest:**

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution other than Shri. Ramachandran Balachandran, as a Director.

The Directors recommend the aforesaid resolution for the approval of the members by way of a Special Resolution.

**Item No.10**

Revision in remuneration of Smt. R. S Isabella,

Smt. R S Isabella was first inducted as Managing Director of the Company for one year i.e. 06-06-2016 to 05-06-2017 with "Nil" remuneration. Subsequently, her tenure was extended for another year with a remuneration of Rs. 20,582/- per month.

Though her appointment as Managing Director was extended few times from 2016, her remuneration was not revised from the initially fixed ceiling of Rs. 20,582,- per month.

During her last re-appointment, the shareholders of the company in its 14<sup>th</sup> Annual General Meeting held on 15<sup>th</sup> September, 2021 had approved the appointment of Smt. R S Isabella as Managing Director of the Company for a period of 5 years from 21-05-2021 to 20-05-2026 and the remuneration proposed was Rs. 20,582,- per month. Subsequently she was appointed as Chairman cum Managing Director in the 15<sup>th</sup> Annual General Meeting held on 15<sup>th</sup> September, 2022.

The Nomination and Remuneration Committee in its meeting held on 16-05-2023 had recommended the revision in remuneration of Smt. R S Isabella from Rs. 20,582,- per month (Rupees Twenty Thousand Five Hundred and Eighty Two only) to Rs. 35,000 per month (Rupees Thirty-Five Thousand Only) w.e.f. 01-06-2023 which will be reimbursed to Repco Bank was approved by the Board.

**Disclosure of Interest:**

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution other than Smt. R S Isabella, as a Chairman and Managing Director of the Company.

The Directors recommend the aforesaid resolution for the approval of the members by way of an Ordinary Resolution.

By order of the Board,  
For Repco Micro Finance Limited,

Date: 16.08.2022  
Place: Chennai.

A.G. Venkatachalam  
Whole Time Director  
(DIN No. 05289154)



**ATTENDANCE SLIP**  
**REPCO MICRO FINANCE LIMITED**  
CIN - U74900TN2007PLCO64126

Registered Office: Repco Tower, No. 33, North Usman Road, T. Nagar, Chennai 600 017.

Corporate Office: Karumuttu Centre, No. 634, 2<sup>nd</sup> Floor, Anna Salai, Nandanam, Chennai 600 035.

Ph: (044) - 24310212 .E-mail: cs@repcomicrofin.co.in,

Website: www.repcomicrofin.co.in

**16<sup>th</sup> ANNUAL GENERAL MEETING**

I/We hereby record my/our presence at the 16<sup>th</sup> Annual General Meeting of the Company held on Monday, the 11 September, 2023 at 11.30 A.M, at Corporate Office: No 634, 2<sup>nd</sup> Floor, Karumuttu Centre, Anna Salai, Chennai- 600 017.

Name of the Shareholder:

Name of the Proxy or Company Representative:

Signature of Shareholder(s)

.....

Proxy or Company's Representative

Notes:

1. A Proxy attending on behalf of Shareholder(s) should write the name of the Shareholder(s) from whom he holds Proxy.
2. Members are requested to bring their copy of the Annual Report to the Meeting as additional Copies of the same will not be made available at the Meeting.

Reg. Folio No.....

No. of shares held.....

**PROXY FORM**

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

**SIXTEENTH ANNUAL GENERAL MEETING**

Name of the member(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

Email id: \_\_\_\_\_

Folio No.: \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him/her

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him/her

As my / our proxy to attend and vote (on a poll) for me / us and on my/ our behalf at the Fourteenth Annual General Meeting of the Company, to be held on Monday, September 11, 2023 at 11.30 A.M. at No. 634, 2<sup>nd</sup> Floor Karumuttu Centre, Anna Salai, Chennai and any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Description of Resolution		
		For	Against
<b>Ordinary Business</b>			
1	To receive, consider and adopt the Audited Financial Statement of the company for the Financial Year ended 31 <sup>st</sup> March, 2023, the Reports of Directors' and Auditor's thereon.		
2	To declare dividend on the equity shares of the Company for the financial year ended 31st March, 2023.		

3	To appoint a Director in place of Shri. C Thangaraju (DIN: 00223383), who retires by rotation and being eligible, offers himself for re-appointment.		
4	To fix the remuneration of Auditors for the year 2023-2024.		
	Special Business		
5	Appointment of Shri. S. T. Kannan as an Independent Director of the Company.		
6	Appointment of Shri. R. Suresh as Independent Director of the Company.		
7	Appointment of Shri. S Rathinasundaram as Director of the Company.		
8	Re-appointment of Shri. S. Nagoor Ali Jinnah as an Independent Director of the Company.		
9	Re-appointment of Shri. Ramachandran Balachandran as an Independent Director of the Company.		
10.	To approve revision in the remuneration payable to Smt. R. S. Isabella Chairman and Managing Director of the company.		

Signed this..... Day of ....., 2023

Signature of Shareholder: \_\_\_\_\_ Affix Revenue Stamp

\_\_\_\_\_

Signature of First Proxy holder

\_\_\_\_\_

Signature of Second Proxy holder

\_\_\_\_\_

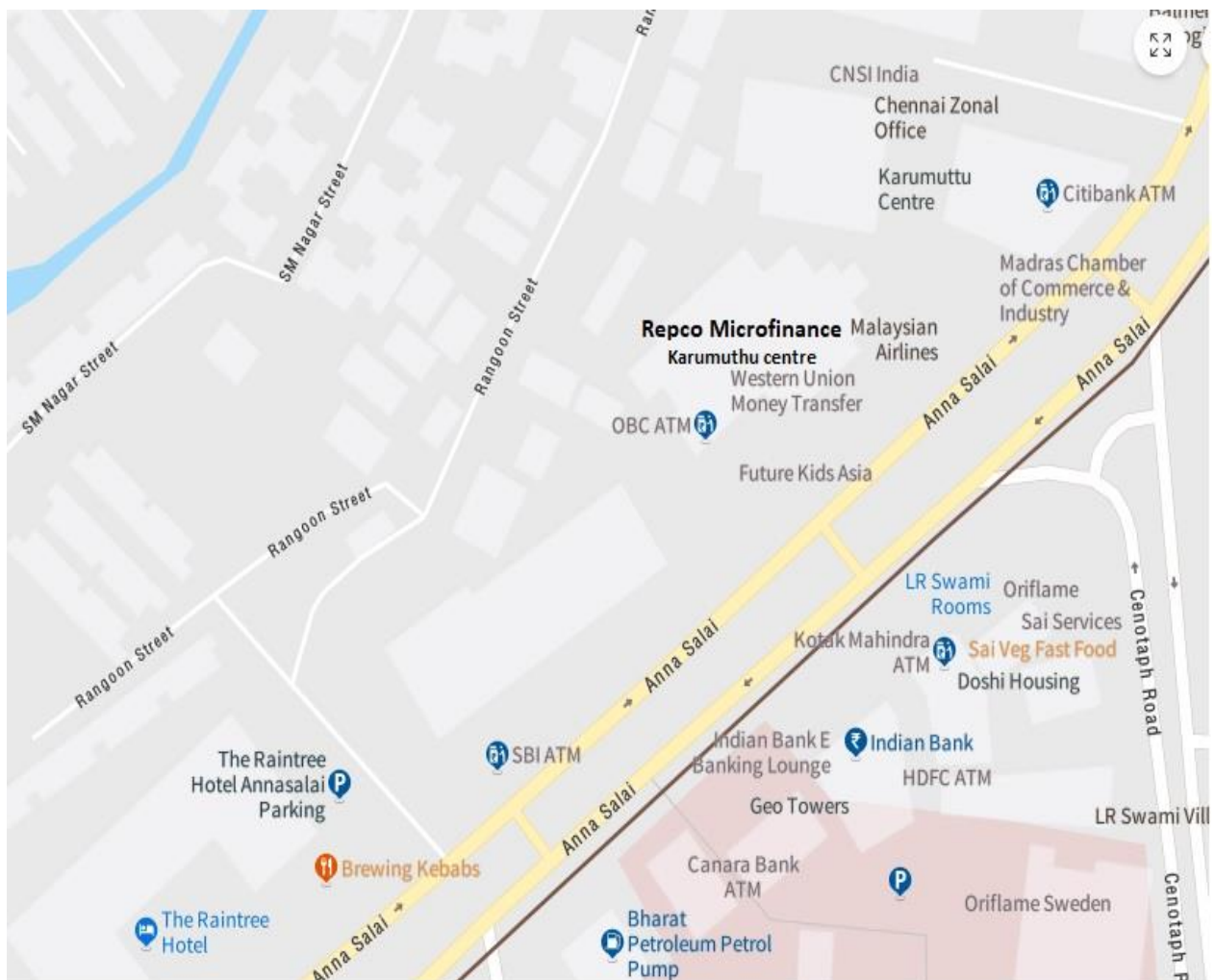
NOTE:

1. THIS FORM OF PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

## Route Map of the venue of the 16<sup>th</sup> Annual General Meeting of the Company

### AGM Venue:

REPCO MICRO FINANCE LIMITED,  
CORPORATE OFFICE,  
No. 634, 2<sup>nd</sup> Floor,  
Karumuttu Centre, Anna Salai,  
Nandanam, Chennai-600 035



## LIST OF BRANCHES AS ON 31-03-2023

Sl. No	Branch Name
1	Adayar
2	Ambasamudram
3	Arakkonam
4	Aranthangi
5	Ariyalur
6	Attur
7	Avadi
8	Chengalpattu
9	Coimbatore
10	Coonoor
11	Cuddalore
12	Devakottai
13	Dharapuram
14	Dharmapuri
15	Dindigul
16	Ennore
17	Erode
18	Gobichettipalayam
19	Gudalur
20	Hosur
21	Kallakurichi
22	Kancheepuram
23	Karaikudi
24	Karur
25	Keeranur
26	Korukkupet
27	Kotagiri
28	Kovilpatti
29	Koyambedu
30	Krishnagiri
31	Kumbakonam
32	Madhukur
33	Madurai South
34	Manali
35	Manapparai

Sl. No	Branch Name
36	Mannargudi
37	Marthandam
38	Mayiladuthurai
39	Melur
40	Mettupalayam
41	Musiri
42	Nagapattinam
43	Nagarcoil
44	Namakkal
45	Natham
46	Ooty
47	Padi
48	Palakkad
49	Palani
50	Palladam
51	Pallavaram
52	Pandalur
53	Pattukottai
54	Perambalur
55	Perungudi
56	Pollachi
57	Ponnamaravathi
58	Poonthottam
59	Porur
60	Puducherry
61	Pudukkottai
62	Purasaiwakkam
63	Puzhal
64	Rajapalayam
65	Ramanathapuram
66	Rasipuram
67	Red Hills
68	Royapuram
69	Salem
70	Samayapuram

Sl. No	Branch Name
71	Sankarankovil
72	Sathankulam
73	Sembanarkoil
74	Sirkali
75	Sivagangai
76	T.Nagar
77	Tambaram
78	Tanjore
79	Tenkasi
80	Theni
81	Thiruppur
82	Thiruvallur
83	Thiruvannamalai
84	Thiruverumbur
85	Thiruvottiyur
86	Thoothukudi
87	Thudiyalur
88	Thuraiyur
89	Tindivanam
90	Tiruchengode
91	Tirukkovilur
92	Tirunelveli
93	Tiruvarur
94	Tondiarpattinam
95	Trichy
96	Ulundurpet
97	Vadipatti
98	Vallioor
99	Valparai
100	Vellore
101	Villupuram
102	Virudhachalam
103	Virudhunagar
104	Vyasarpadi