

2019 - 2020



13th
ANNUAL REPORT

REPCO MICRO FINANCE LIMITED
(Promoted by Repco Bank)



13th
ANNUAL REPORT
FY 2019-20

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CORPORATE INFORMATION

Board of Directors	Smt. R.S. Isabella Shri. V. Mohandoss Shri. V. Dasaraty Shri. P. Mahalingam Shri. Yashpal Gupta Shri. N. Balasubramanian	Managing Director Independent Director Independent Director Director Nominee Director Whole-time Director
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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-600035.
Telephone : 044 2831 0212
Email : cs@repcomicrofin.co.in
Website: <https://www.repcomicrofin.co.in/>
CIN : U74900TN2007PLC064126

Chief Financial Officer **Shri. V. Balasubramanian**

Company Secretary **Smt. Lakshmi Raghupathy**

Management Team
Shri. R. Easwaran – AGM, Inspection
Shri. S. Vimal – AGM
Vigilance & Risk Management
Shri. P. K. B. Balamurugan – AGM
Credit Monitoring & Management

Statutory Auditor **P.B. Vijayaraghavan & Co.,**
Chartered Accountants,
14, Cathedral Garden
Road, Nungambakkam, Chennai – 600 034

Secretarial Auditor **Shri. Amit Rati**
Practicing Company Secretary,
61/4, Outer Circular Road, Kilpauk, Chennai – 600 010

Internal Auditor

P. Chandrasekar LLP

Chartered Accountants

No.6, Krishnaswamy Avenue, Luz,
Mylapore, Chennai – 600 004.

Registrar & Transfer Agent

Cameo Corporate Services Limited

Subramanian Building, No.1, Club House Road,
Chennai – 600 002.

Bankers

Bank of Baroda

Indian Bank

Union Bank of India

Syndicate Bank

Karur Vysya Bank

HDFC Bank

Kotak Mahindra Bank

Dhanalakshmi Bank

Canara Bank

Bank of India

Repco Bank

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.

Credit Information Companies
(CIC)

CRIF High Mark

Equifax

CIBIL

Experian

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

Conservation of Natural resources



A project on rainwater harvest & water storage was donated at Arvind Foundations, Aravindaalayam, Kolappancherry, Thiruvallur District, Tamilnadu.



Environmental Sustainability



RMFL contributed towards implementation of the project of restoring Attikulam Kanmoi, located at Sanampatti, Madurai, Tamilnadu, a programme under UPNRM (Umbrella Programme for Natural Resource Management) to Centre for Rural Education and Development (CRED).



Shri. N. Balasubramanian, Whole-time Director planting the sapling on the occasion.

Health Care

RMFL jointly conducted free medical camps along with FPA India at various branches.

T. Nagar Branch



Elder Care Service / Setting up of Homes



RMFL has procured a steam boiler for Thillaiyambur Muthiyore Kaapagam, a registered society located at Kumbakonam, Tamilnadu, which maintains and manages day care / home for the aged people.

Supporting activity to promote education



Contribution to Repatriate Welfare Trust for construction of stage at Govt. School located at Pandalur, The Nilgiris Dist., Tamilnadu.

Distribution of Mask to protect from Pandemic COVID-19.



BOARD OF DIRECTORS - 2020



Smt. R.S. Isabella
Managing Director



Shri. V. Mohandoss
Independent Director



Shri. V. Dasaraty
Independent Director



Shri. P. Mahalingam
Director



Shri. Yashpal Gupta
Nominee Director



Shri. N. Balasubramanian
Whole-time Director

MANAGING DIRECTOR'S MESSAGE



Dear Stakeholder,

At the outset, I take pleasure in informing you that your Company has crossed Rs. 1000 Crore Loan portfolio during the financial year, reaching another milestone in the journey of RMFL. With this note, I'm delighted to connect with all of you once again through this annual report.

With unprecedented outbreak of COVID-19 and lockdown during the end of March, 2020 albeit Company could not reach the set target as it prioritized the health and safety of its employees and mitigated financial and operational exposure.

Though the panic is gone the pandemic is still with us. This has necessitated the businesses in general to prepare for a world in which Covid-19 virus and other pandemic diseases are a recurring feature and adapt to a new normal. Digitalization has become the mainstream which has made physical presence optional. I just hope that the adversities only bestow the Company with the ability to see beyond the obstacles lying in its way and provide insight to see the bigger picture for the Company.

We closed the year with a revenue of Rs. 192 crore, a PAT of Rs. 54 crore and a significantly better OPEX at 2.72%, ROA of 4.80% and ROE of 25.70% for the year. We serve close to 4 lakh customers through a network of 90 branches manned by 656 employees. RMFL is one among the largest MFI in the country and ranks amongst the top 18 NBFC-MFI institutions in terms of Gross Loan Portfolio. I also take pride in telling that RMFL is running on women power with over 400 employees. Women constitute more than half of the total workforce of Company positioning itself in 4th place on a pan India basis in microfinance sector.

We always believed that the stakeholders contribute significantly to our success. Company has continued to play its part in sustainable development of the communities and environment. The Company has contributed an amount of Rs. 5 lakh towards PM Cares Fund for fighting the COVID-19 pandemic and has distributed masks etc., to the public at large besides various contribution to CSR measures for different projects.

To support the growth of our business, we have made continued efforts to strengthen the support functions. Risk and Credit plays a crucial role in helping take prudent credit calls on our full range of Rs. 10,000 to Rs. 1,25,000 loans and this is ably supported by the Internal Audit team giving us an objective assessment of the policy adherence on the field across businesses and corporate support functions.

RMFL's growth plans have been ably supported by our Resource Management, which raised enough debt at very competitive pricing.

Our key focus for the year 2020-21 would include managing the business growth better with continued and improved focus on quality across business and better employee retention and engagement.

I wish to thank each one of our 4 lakh customers for their valuable business relationship, our 650 odd 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 during these covid times especially, all our partners/vendors/associates for their efforts and the central and state governments for providing a conducive environment for our business and for taking right measures to address the Covid-19 pandemic.

I look forward to reach greater heights in 2020-21 with your support and encouragement.

R.S. Isabella
Managing Director



Performance Highlights

**Customer
Strength**



398937



**Total
Branches**

90

Districts



37

Tamilnadu & UT of Puducherry

**Gross Loan
Portfolio**



1084.03 Cr



Net Profit

54.10 Cr



Performance Highlights

Networth



210.53 Cr



Capital Adequacy
Ratio

19.66 %

Loan
Sanctioned



1034.92 Cr



Disbursement

1010.64 Cr



Opex

2.72 %

MANAGEMENT DISCUSSION AND ANALYSIS

Macroeconomic Environment

Economic growth slowed to 4.2% in 2019-20. In the final quarter of the year, the growth rate of GDP fell to 3.1%, reflecting the impact of the first lockdown announced to prevent outspread of COVID-19 virus which began on March 25.

The overall pace of growth weakened across key sectors in Q4 FY20. While the manufacturing and construction sector contracted during the quarter, the support came from the agriculture and the government expenditure during the quarter.

On account of the national lockdown in the Indian economy amidst rising global cases of coronavirus cases, India's GDP growth in FY21 is likely to be notably lower according to various rating agencies and economic reports.

The lockdown has taken a heavy toll on the economy, with up to two-thirds of activity either shut down or working at reduced pace during the first month and more than a fourth in the following months according to various estimates. Trade, transport, construction and tourism have been badly hit. The unemployment rate has surged. Urban workers with no formal job contract and daily labourers have suffered the most. Millions of domestic migrants have struggled to go back to their villages and families.

The lockdown has disproportionately affected small enterprises with limited cash-flow, with knock-on effects on supply and distribution chains. This has added to the financial woes with high non-performing loans and recurrent liquidity & solvency problems for some banks and other financial institutions. The spike in corporate yields and subdued lending activity suggest that risk aversion is high.

NBFC outlook

The outlook for NBFCs has turned negative due to Covid-19 outbreak. The sector which grappled with liability side disruptions, could see another wave of challenges, this time in the form of asset quality. Recent measures announced by the RBI like the Targeted Long Term Repo Operations 2.0 (TLTRO-2) and refinancing from NABARD & SIDBI could provide some solace to the NBFCs. However, the sector continues to stare at asset side challenges which are expected to mount going forward.

If the Covid-19 situation prolongs, the challenges for the sector could mount substantially. Large NBFCs, backed by strong corporate groups have used their liquidity and had not sought moratorium from banks, whereas, other NBFCs were compelled to exercise this option.

MFI Outlook

As at end of FY 2020, Microfinance Assets stood at Rs. 2,30,165 crore with growth rate of 28% YoY. The combined micro credit client base of all lenders has reached 104 million. The share of NBFC-MFIs increased to 33% from 30%. The state of Tamilnadu leads the lists of Active loans, Unique borrowers and Portfolio outstanding across the states/UTs.

Taking into consideration the important role played by MFIs in delivering credit to those in the bottom of the economic pyramid and to enable them play their assigned role in a growing economy, RBI has increased the household income limits for borrowers of NBFC-MFIs from the current level of ₹1,00,000 for rural areas and ₹1,60,000 for urban/semi urban areas to ₹1,25,000 and ₹2,00,000 respectively.

Further, the limit on total indebtedness of the borrower has been increased from ₹1,00,000 to ₹1,25,000. In light of the revision to the limit on total indebtedness, the limits on disbursement of loans have been raised from ₹60,000 for the first cycle and ₹1,00,000 for the subsequent cycles to ₹75,000 and ₹1,25,000 respectively.

However, microfinance falls in the high-risk category as in the past, the sector has faced event risks including socio political interference, natural calamities, demonetization etc. which has led to sharp rise in delinquencies and higher level of end losses as compared to other NBFC asset classes. However, Covid-19 had larger impact, as earlier event risks were usually limited to certain geographies (except demonetization) but this has impacted across geographies. The impact has been higher in MFIs focusing on urban areas as the customer profile involved small businesses or workers engaged on contractual basis losing man-days of work due to increased lockdowns. However, policy measures from the government is expected to reduce the impact to some extent.

Navigating through Covid-19

Your Company is continuously reviewing the evolving situation in the light of Covid-19 and played and continues to play a responsible role in minimizing the adverse impact of the pandemic on its business and stakeholders' interest. Adapting to the new normal of conducting business, your company has realigned the work priorities by placing highest importance on risk controls and collections.

Protection & Preparedness of business

Your Company has ensured smooth running of critical functions by allowing the staff to work from different locations with specified protocols.

Adequate Liquidity

Your Company has maintained sufficient liquidity to meet debt maturities over the coming months, under stress scenarios.

Safety of Employees

A quick response team was created for the task force to monitor the queries and requirements of all the employees under the scenario of Covid-19.

Your Company has postponed all meetings / events of large gatherings and issued advisories from time to time to ensure safety of the employees.

Sanitization of work place was carried out on a regular basis.

Care for customers

Your Company has provided relief to borrowers by providing moratorium for instalments falling due between March 01, 2020 to August 31, 2020 in line with RBI guidelines and communicated to them via appropriate channels.

Resumption of Operations

Your Company has gradually opened up the branches adhering to Standard Operating Procedures (SOP) issued by Govt. of India from time to time.

Disbursement of loans, which were halted post lock down announcement are now restarted.

Appropriate safety measures and social distancing guidelines are followed in all the 90 branches and Head office.

Social Responsibility

Contributed Rs. 5 lakh to PM Cares Fund to support the battle against Covid-19 pandemic.

Supported the efforts of Greater Chennai Police during pandemic times by contributing to procure masks, etc.

SCOT of RMFL

Strength

✓ Business policy & principles & Dedicated Employees:

Sound Business policy and principles clubbed with dedicated employees, support the organization to move up in the ladder and achieve the milestones.

✓ Repco's Brand:

'Repco' as a Brand is well received among the stake holders. Parent entity 'Repco Bank' and 'Repco Home Finance' continued support for 'Repco Micro Finance' is an inherent strength.

✓ **Better Collection Strategy:**

The collections strategy followed by Company viz, Branch based collections has not only helped Company avoid the challenges associated with field level collections in general but has come as a great boon during the Covid times. While there have been customers who wanted to make repayments during moratorium offered, the strategy followed by Company came at ease for them to make the repayment as desired during this Covid times where social distancing has become the norm and which other MFIs could not go to the field. The true test of character comes in the face of adversity and Company has remained resilient in the face of headwinds. Company has navigated big events in the past, such as demonetization, floods and local-level challenges.

✓ **Responsible Lender:**

Company has signed the 'Code for Responsible Lending (CRL)' as an effort to maintain responsible lending. The report which company receives helps Company to check where it stands and improve upon the lending practices. This code is aimed at keeping indebtedness of poor borrowers under check which would in turn improve the quality of loan assets for the Company.

✓ **Better focus on Quality functions:**

The year 2019-20 also saw RMFL significantly strengthening its institutional capabilities on risk management and Internal controls.

Challenges

While funding support from parent Repco Bank, comfortable capitalization and adequate asset quality continue to be the positive factors, these strengths are partially offset by geographically concentrated operations in Tamil Nadu. As adopted in the Risk Management Policy, Company would diversify its presence to other States within couple of years.

Loan officers play a critical role in acquiring new customers, selling products and providing training to borrowers. However, absence of robust technology infrastructure, hinder the potential of the personnel in remote areas. RMFL believes that loan officers are the most important ambassadors in the customer journey and it is essential to empower them for higher business growth.

Credit risk, operational risk, geographical risk, liquidity risk and political risks are the major risks faced by the Microfinance Sector. At RMFL, quality functions of Risk and Audit ensure that Company's journey is made stronger with its preparedness to identify threat and regulate the deviations. The Internal Audit function, which as an independent, objective assurance function, actively provide quality counsel to the management on the effectiveness of internal control, process adherence and risk management at all levels.

Opportunities

Despite the presence of multiple players in the microfinance landscape and mature models of micro lending, with a significant portion of its population in the low-income band, India represents a huge opportunity for the microfinance sector. Though Govt. Schemes and established financial institutions have enhanced access to microcredit for nearly 67% of the Indian population living in rural areas, the significant geographic concentration of MFIs within a few districts of the country indicates the potential for achieving higher microfinance penetration. Additionally, a substantial portion of the Indian population still lacks access to credit from the formal sector and consequently borrows from informal channels like moneylenders, etc. indicating the scope of micro lending in achieving financial inclusion and overall industry growth.

In December' 2019, the RBI released final 'Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector'. This allows existing NBFCs, MFIs, Payment Banks and Urban co-operative banks to apply for SFB license provided they fulfil specific conditions and minimum paid up capital requirements, as stipulated. This opens up the window for applicants to approach the regulator at any point of time for 'on-tap' licensing of Small Finance Banks (SFBs).

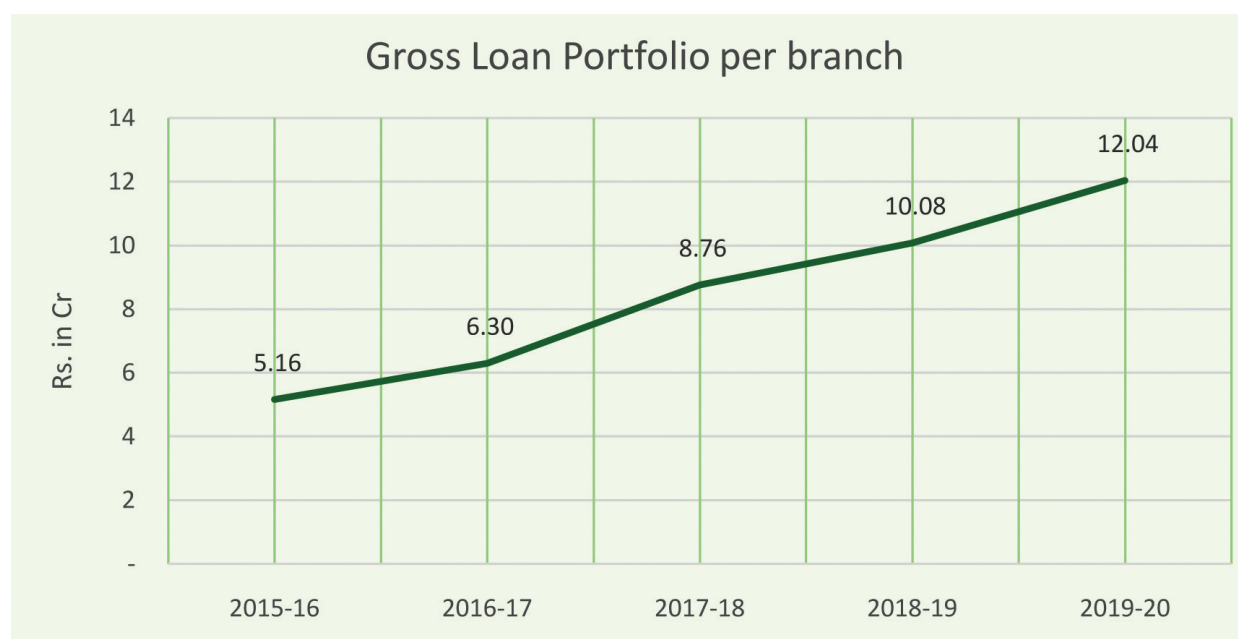
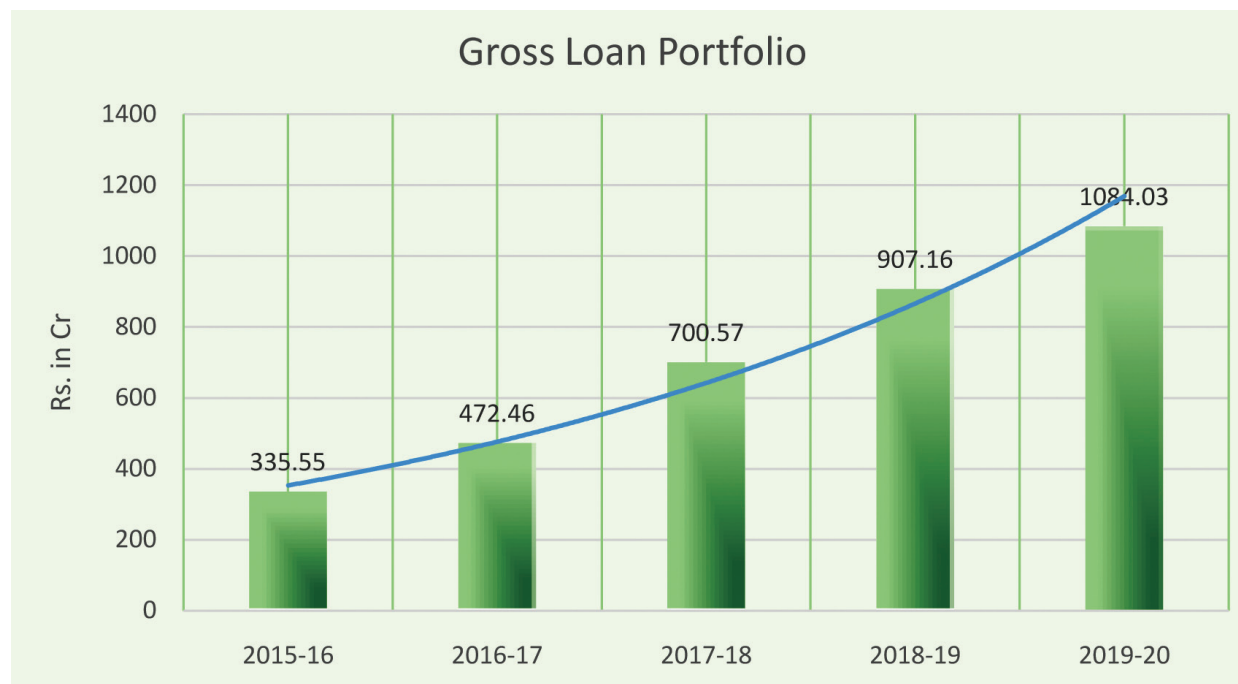
The aforementioned points present greater opportunities for RMFL to diversify and grow its business and network.

Threat

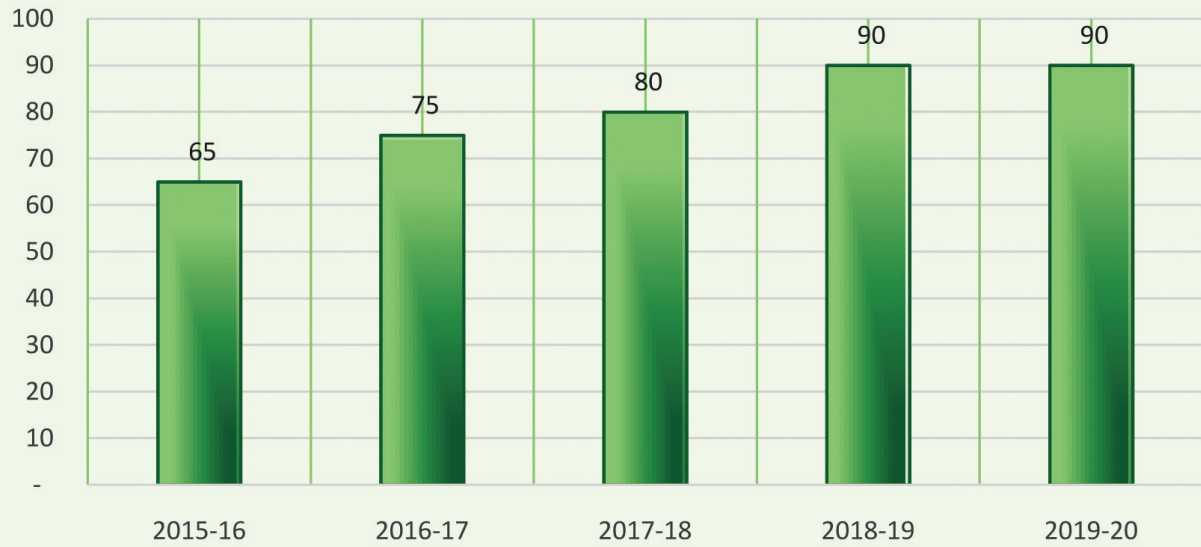
A more protracted spread of the pandemic, financial market volatility are key downside risks. Given the present condition, real GDP growth is also expected to be negative for the year 2020-21 as a whole. An early containment of the Covid-19 pandemic may result in an uptick to the outlook. On a micro level, spreading of rumors by some fraudulent elements about loan waivers amid the coronavirus pandemic could come as a double whammy for the sector which is already reeling under suspended collections, liquidity issues etc.

Operational Metrics

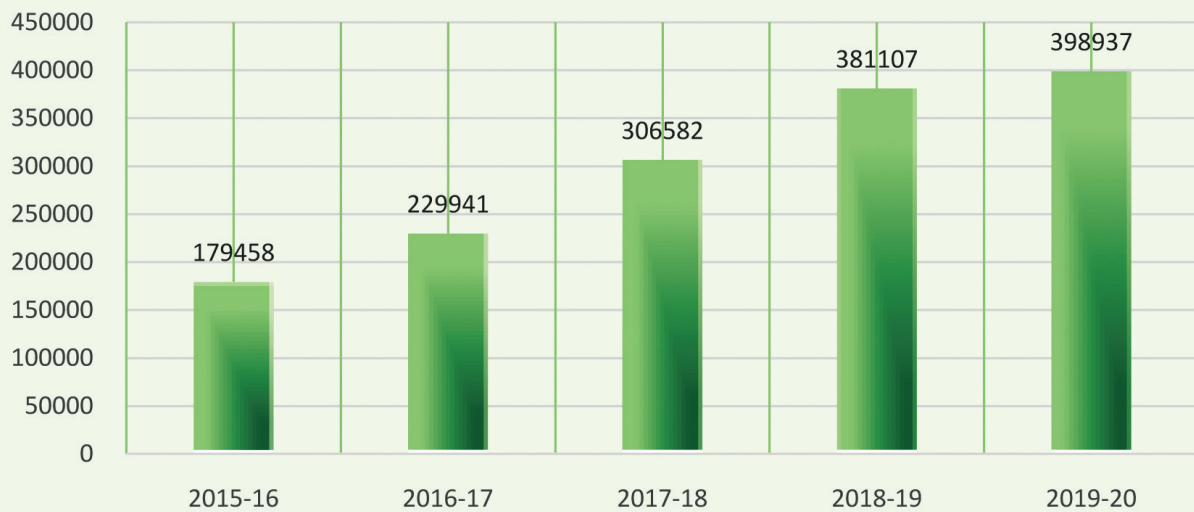
The Operational Performance of the Company during the last five years is graphically presented below:



No.of branches - Year wise



No. of loans Outstanding



Analysis of Financial Performance

Financial results

Your Company's Operating profit during the FY 2019-20 was at Rs.73.62 Cr against Rs. 64.98 Cr in the FY 2018-19. Net Profit in the FY 2019-20 stood at Rs. 54.10 Cr against Rs.45.52 Cr in the FY 2018-19.

The COVID-19 lockdown had some impact on the operating performance of your company in the financial year 2019-20.

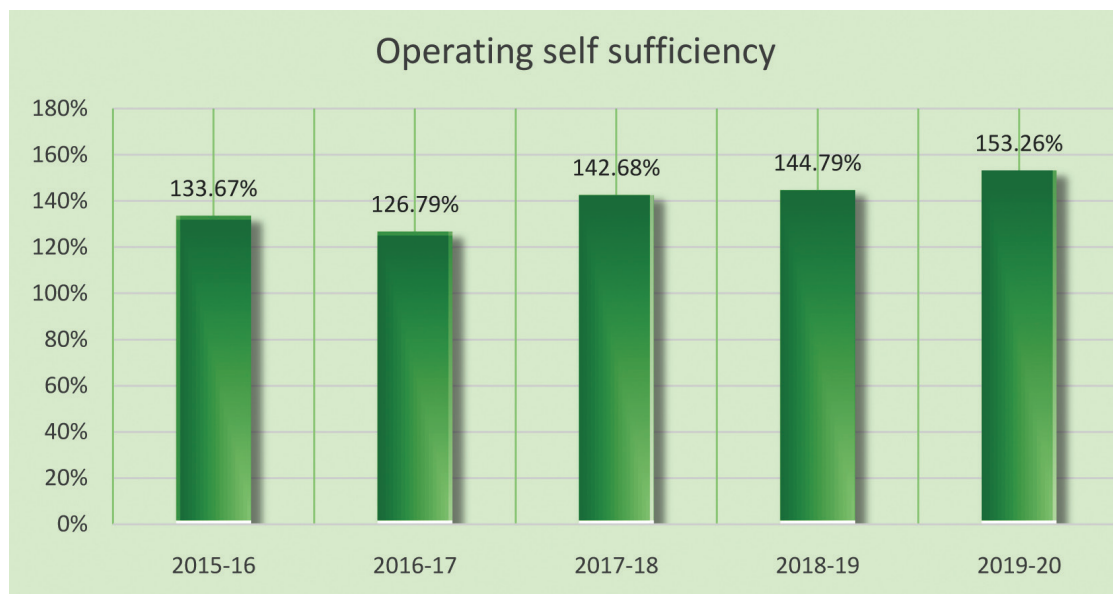
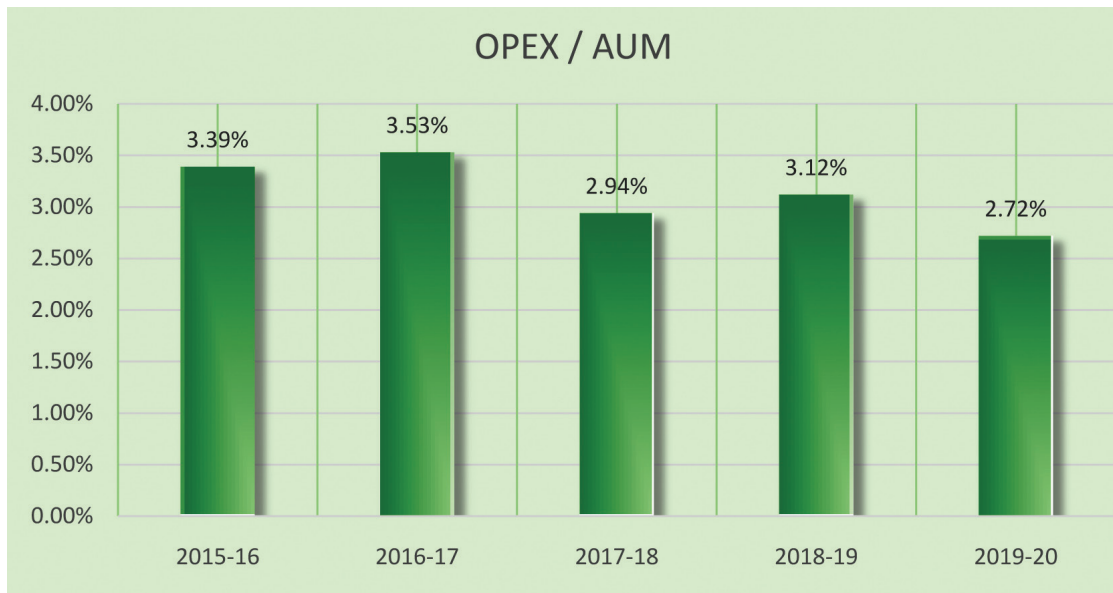
Position as at 31st March, 2020

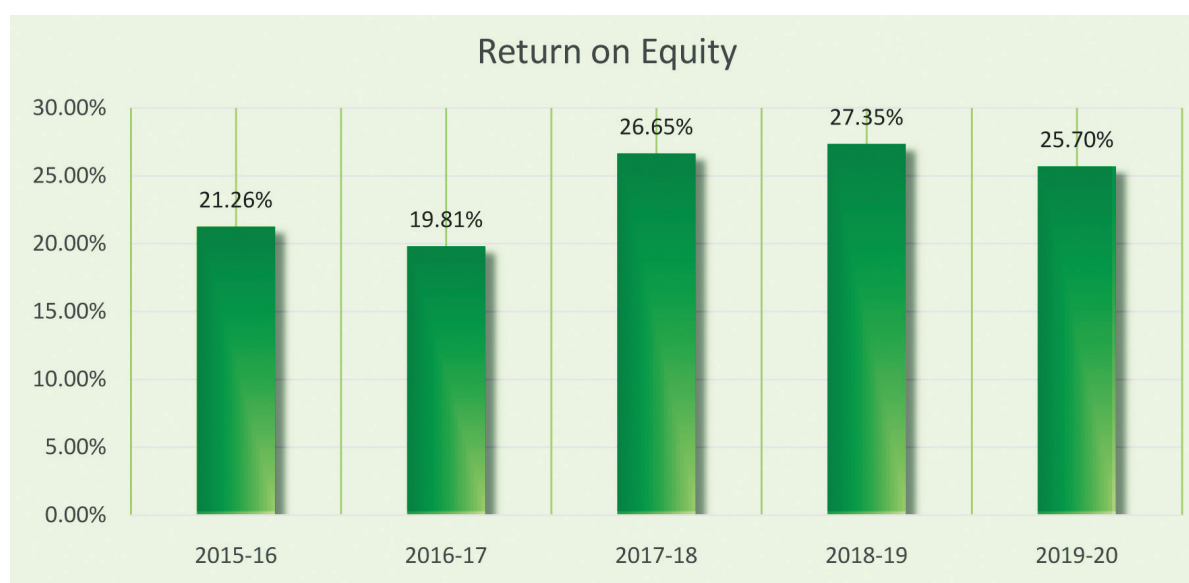
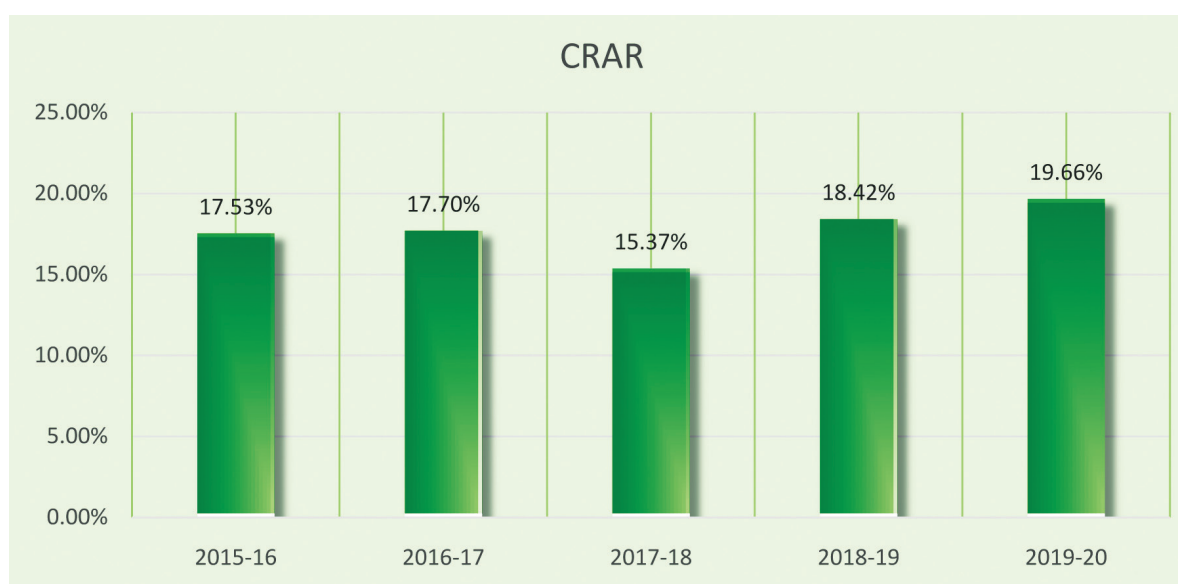
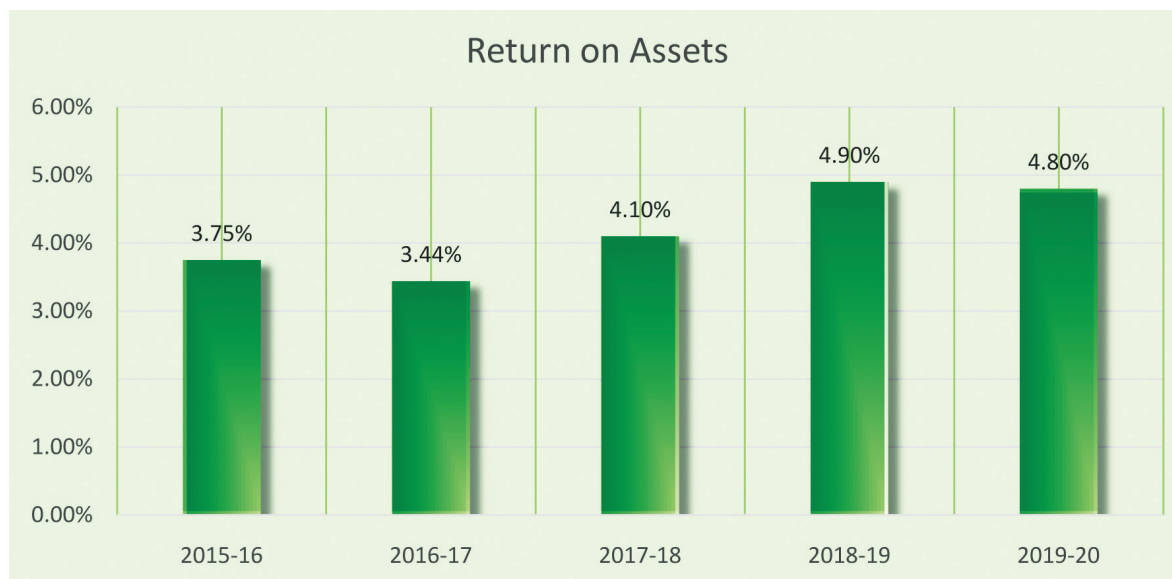
S.No.	Details	Amount (Rs.in Cr)
Business Operations		
1	Disbursement	1010.67
2	Gross loan portfolio	1084.03
3	Revenue from operations	192.06
Solvency & Liquidity		
4	Networth	210.53
5	Capital Adequacy Ratio	19.66%
6	Cash & Cash Equivalent	27.78
Efficiency		
7	Effective cost of borrowing (average)	10.02%
8	Cost to income ratio	18.16%
9	Collection efficiency	98.09%
10	Net Interest Margin	9.12%

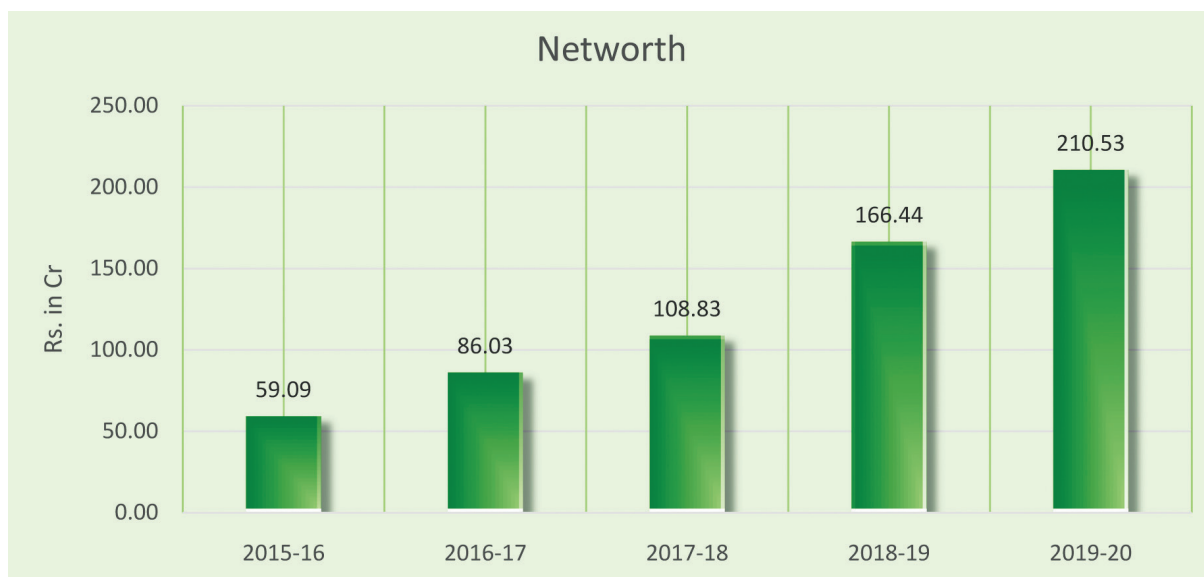
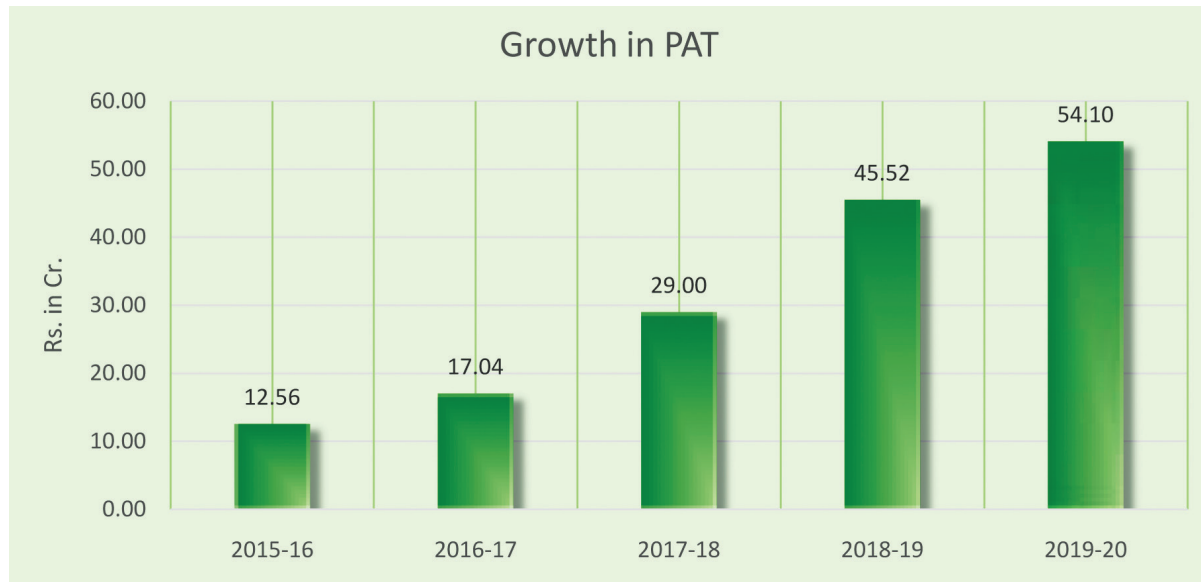
Key Financial ratios are as below

Key Financial Ratios	FY 2019-20
CRAR	19.66%
Return on Assets	4.80%
Return on Equity	25.70%
Gross NPA	1.91%
Net NPA	NIL
Debt equity ratio	4.20%

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 made a gross addition of 117 employees in the financial year and the total manpower strength stood at 656 as on 31st March, 2020. Training programme for newly inducted staff, refresher training for existing employees are being conducted to impart knowledge and skill.

Road Map for FY 2020-21

Company plans to venture into its neighboring States viz Kerala, Karnataka and Odissa as part of its expansion.

RMFL aims to achieve Rs. 1,250 Crore assets under management at the end of the FY 2020-21 and increase the branch network to 100.

For and on behalf of the Board of Directors

N. Balasubramanian

Whole-time Director

R.S. Isabella

Managing Director

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting the Thirteenth Annual Report of the company with audited accounts for the year ended March 31, 2020.

FINANCIAL RESULTS

Rs. In lakh

Particulars	As at 31.03.2020	As at 31.03.2019
Operating Income	18192.62	14701.44
Other Income	1013.61	928.34
Total Income	19206.23	15629.79
Finance Cost	7650.06	5998.09
Administration & Other Costs	2792.98	2695.51
Provision for Standard Assets	79.19	81.57
Provision for Non-Performing Assets	1147.27	213.77
Depreciation	160.84	142.40
Covid-19 Provision	12.95	-
Profit before tax	7362.92	6498.42
Provision for tax and others	2053.67	1898.65
Deferred Tax	101.14	47.03
Profit after tax	5410.40	4552.73
CRAR	19.66%	18.42%

DIVIDEND

Your directors recommend payment of dividend @ Re.1 per equity share of face value of Rs.10 each for the period ended March 31, 2020. The dividend pay-out is subject to the approval of members at the ensuing AGM.

CHANGE IN SHARE CAPITAL

During the year under review, the Company has not allotted any shares:

As on 31st March, 2020, the issued, subscribed and paid up share capital of your Company stood at Rs. 69,20,00,000/- comprising 6,92,00,000 Equity shares of Rs. 10 each.

COVID-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers. As of March 31, 2020, work from home was enabled to those who could work remotely and securely. Although there are uncertainties due to the pandemic and reversal of the positive momentum gained in the last quarter of FY2020, the strong balance sheet position, best-in-class profitability and support from the Parent Company, positions the Company well to navigate the challenges ahead.

OPERATIONAL HIGHLIGHTS

There was no change in nature of operations of the company during the year under review.

The summary of operational highlights is as under

Particulars	As at 31.03.2020	As at 31.03.2019
Number of branches	90	90
Number of customers	398937	381107
Number of employees	656	630
Amount disbursed (Rs.in Cr.)	1010.64	927.06
Gross loan portfolio (Rs. In Cr.)	1084.03	907.16

We had a productive year, engaging with customers in their growth, expanding and deepening our relationships. However, it is our response to the events of the last week of the fiscal year that will be our most defining endeavours. The lockdowns tested the agility, resilience and adaptability of our microfinance model.

During the year, the Company was able to raise the necessary funding resources to match the business and operational needs leveraging on its existing relationship with banks.

Despite challenges like COVID-19, which affected repayment capacity of borrowers, over indebtedness among rural women and local political issues, natural calamities your company has attained growth in disbursement.

LOAN ASSETS & DISBURSEMENT

As at March 31, 2020, the loan assets increased to Rs. 1084.03 Crore from Rs.907.16 Crore of corresponding previous year recording a growth of 19.49 percent. The total loan disbursement during the year was Rs. 1010 Crore as against Rs. 927 Crore in the previous year.

BORROWING FROM BANKS

The company has received fresh Term loan sanctions from banks amounting Rs.400.00 Crore and ad-hoc limit of Rs. 89 Crore during the period under the review. The outstanding term loans and overdraft from banks, as at March 31, 2020 were Rs.496.27 Crore and 388.69 Crore respectively.

DEPOSIT

The 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 during the year.

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 Section 134(3) of the Companies Act, 2013, the Annual Return, under Section 92 (3) of the Companies Act, 2013, can be accessed on the website of the Company at

https://www.repcomicrofin.co.in/pdf_files/Annual%20Return%20Extract%20-%20MGT-9.pdf and the extract of the Annual Return in Form MGT-9, is provided as an Annexure-I to this report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

All related party transactions as required under Accounting Standard AS-18 are reported in Note 20(e)- Notes to Account of the Financial Statements of the Company.

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 Independent Internal Auditor conducting comprehensive audits of functional areas and operations of the Company to examine the adequacy of and compliance with policies and statutory requirements. Any significant observation from the audit are reported to the Audit Committee and follow up actions are taken accordingly.

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

PARTICULARS OF EMPLOYEES

The provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the 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 year 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.

The number of employees as on 31st March 2020 was 656 and out of which women employees account for 62% and thus women empowerment starts 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 to use vigil mechanism.

CHANGES IN DIRECTORSHIP / KEY MANAGERIAL PERSONNEL

In accordance to Clause 91 of the Articles of Associations of the Company and the provisions of the Companies Act, 2013 Shri.P. Mahalingam, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

MEETINGS OF BOARD

During the financial year 2019-20 the Board and Audit Committee met 3 (three) times. Due to unprecedented outbreak of COVID-19, the 4th Board Meeting for the financial year could not be held. Ministry of Corporate Affairs has also provided relaxation in time gap for conducting board meetings from present 120 days to 180 days for the first two quarters of FY 2020-2021. i.e. Board Meeting from 24th March 2020 till 30th September 2020 can be conducted with a larger gap of 180 days. The Board accepted all the recommendations made by the Audit Committee during the year. 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 and at the 12th Annual General Meeting (AGM) is detailed below:

Name of Director	No. of Board Meeting held during the tenure of director	No. of Board Meeting attended	AGM attended by director
Shri. P. Mahalingam	3	3	No
Shri V. Mohandoss	3	3	Yes
Smt. R. S.Isabella	3	3	Yes
Shri. N.Balasubramanian	3	3	Yes
Shri. V. Dasaraty	3	2	No
Shri. Yashpal Gupta	3	2	NA

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.

Committees of Board

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. 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

The Audit Committee comprises of the following members as at 31st March 2020:

- 1. Shri. V. Mohandoss (Chairman of the Committee)
- 2. Shri. V. Dasaraty
- 3. Smt. R.S. Isabella

During the year the Audit Committee had met thrice on 14.05.2019, 07.09.2019 and 17.12.2019 respectively.

Attendance of each Director at Audit Committee Meetings:

Name of Director	No of Audit Committee Meeting held during the tenure of director	No. of Committee Meeting attended
Shri. V. Mohandoss	3	3
Shri. V. Dasaraty	3	2
Smt. R. S. Isabella	3	3

The Board of Directors have 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. Majority 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.

The NRC comprises of the following members as at 31st March 2020:

1. Shri. V. Mohandoss (Chairman of the Committee)
2. Shri. V. Dasaraty
3. Shri. Yashpal Gupta

During the year the NRC Committee had met two times on 07.09.2019 and 17.12.2019 respectively.

Attendance of each Director at NRC Meetings:

Name of Director	No of NRC Meeting held during the tenure of director	No. of Committee Meeting attended
Shri. V. Mohandoss	2	2
Shri. V. Dasaraty	2	2
Shri. Yashpal Gupta	2	2

The Board of Directors have 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.

The CSR Committee comprises of the following members as at 31st March 2020:

1. Smt. R.S. Isabella (Chairman of the Committee)
2. Shri. V. Mohandoss
3. Shri. P. Mahalingam

During the year the CSR Committee had met on 14.05.2019.

Attendance of each Director at CSR Committee Meetings:

Name of Director	Eligible Meetings	No. of Committee Meeting attended
Smt. R.S. Isabella	1	1
Shri. V. Mohandoss	1	1
Shri. P. Mahalingam	1	1

Information Technology Strategy Committee

The Information Technology Strategy Committee was constituted on 26th 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

The Information Technology Strategy Committee comprises of the following members as at 31st March 2020:

1. Shri. V. Mohandoss – Independent Director (Chairman of the Committee)
2. Shri. N. Balasubramanian – Whole-time Director (designated as Chief Information Officer)
3. Shri. G. Srinivasan – Chief Technology Officer

During the year, the IT Strategy Committee Meeting had met two times on 14.05.2019 and 07.11.2019 respectively.

Attendance of each member at IT Strategy Committee Meetings:

Name of Director	Eligible Meetings	No. of Committee Meeting attended
Shri. V. Mohandoss	2	2
Shri. N. Balasubramanian	2	2
Shri. G. Srinivasan	2	2

Asset Liability 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 ALMC comprises of the following members as at 31st March 2020:

1. Smt. R.S. Isabella (Chairman of the Committee)
2. Shri. N. Balasubramanian
3. Shri. P. Mahalingam

The Committee met once during the year on 17.12.2019 and all the members were present during the meeting.

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. to lay down procedures regarding managing and mitigating the risk through Integrated Risk Management Systems, Strategies and Mechanisms ;
- vi. 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;
- vii. to monitor the the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC;
- viii. to have oversight over implementation of risk and other policies including Anti Money Laundering and KYC (Know your Customer) Policies

The RMC comprises of the following members as at 31st March 2020:

1. Smt. R.S. Isabella (Chairman of the Committee)
2. Shri. N. Balasubramanian
3. Shri. P. Mahalingam

During the year, the Committee had met two times on 14.05.2019 and 07.11.2019 respectively.

Attendance of each Director at Risk Management Committee Meetings:

Name of Director	Eligible Meetings	No. of Committee Meeting attended
Smt. R.S. Isabella	2	2
Shri. N. Balasubramanian	2	2
Shri. P. Mahalingam	2	2

EVALUATION OF BOARD, COMMITTEES & INDEPENDENT DIRECTORS

The Board of Directors have 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 and iv) Professional Skills, problem solving and decision making.

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 Board has approved a policy on Corporate Social Responsibility (CSR), which can be accessed in the link given below.

[https://www.repcomicrofin.co.in/pdf_files/investors_files/CSR%20Policy1%20\(1\).pdf](https://www.repcomicrofin.co.in/pdf_files/investors_files/CSR%20Policy1%20(1).pdf)

For the financial year 2019-20, your Company was required to spend an amount of Rs. 90.52 lakh towards CSR. 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 attached as Annexure-III

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. P.B. Vijayaraghavan and Co., Chartered Accountants (FRN: 004721S) were appointed as the Statutory Auditor of the Company at the 10th Annual General Meeting held on September 28, 2017 to hold office for a period of five years till the conclusion of the 14th Annual General Meeting of the Company to be held during the year 2022.

The Company has received written consent(s) and certificate(s) of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued there under (including any statutory modification(s) or re-enactment(s) for the time being in force), from P.B. Vijayaraghavan and Co.

The Notes to Accounts forming part of the financial statements are self-explanatory and need no further explanation.

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 Sri. Amit Rathi, Practising Company Secretary to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report obtained from Sri. Amit Rathi, Practising Company Secretary is attached as Annexure-IV and forms part of this Report.

The Secretarial Auditor in his report has commented upon RBI's Inspection and observation and the response of your Directors with respect to it is as follows:

Comment: *"It is noted that the Company has complied with majority of the critical observations made by RBI, expecting to updation of the Borrowing policy and ALM Policy."*

Management response:

It is informed that Board of Directors have approved the said policies in their Board Meeting held on 24.08.2020

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN 31ST MARCH AND THE DATE OF BOARD'S REPORT:

As the Covid-19 outbreak had hit the world hard, business continuity had become the biggest challenge for every organization. The coronavirus pandemic had thrown business out of gear for the current year. With the announcement of Reserve Bank of India's (RBI) moratorium of three months on payment of all instalments falling due between March 01,2020 and May31,2020 and subsequent extension of moratorium till August 31, 2020 has impacted collections significantly with nil collections in Apr, 2020 post announcement of moratorium and gradual improvement in the subsequent months. Company has taken a cautious call on disbursements and has set a conservative target for the FY ended 2021 given the present condition and ambiguity in developing situations.

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 2019-20.

No of complaints received	:	Nil
No of complaints disposed of	:	NA

CREDIT RATING AND MICRO FINANCE GRADING

The Grading & Credit Rating obtained from the Rating agencies during the year are as below:

Rating Agency	Instrument	Rating	Limit in Rs. Cr.
CARE	Long term Bank Facilities	BBB +	400
ICRA	Long term Bank Facilities	BBB	300
CRISIL	Short term Bank Facilities	A3+	300
CARE	-	MFI 2 (3 rd highest grading on an eight point scale)	MFI Grading

RELATED PARTY TRANSACTIONS

During the year under review, the Company has not entered into any transactions with related parties, which are in conflict with the interest of the Company. Transactions with the related parties are disclosed under the head “Related Party Disclosure” as set out in Note 20 (e) to the Financial Statements forming part of Annual report.

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 the Bankers, Regulator, Repco Bank, Repco Home Finance, Sa-Dhan and its employees during the year.

For and on behalf of the Board of Directors

N. Balasubramanian
Whole Time Director
 DIN-07832970

R.S. Isabella
Managing Director
 DIN- 06871120

ANNEXURE-I

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN as on financial year ended on 31.03.2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.]

I. Registration & Other Details:

1	CIN	U74900TN2007PLC064126
2	Registration Date	27-06-2007
3	Name of the Company	Repco Micro Finance Limited
4	Category/Sub-category of the Company	Company Limited by Shares /Indian Non-Government company
5	Address of the Registered office & Contact details	Repco Towers, No.33, North Usman Road, T.Nagar, Chennai-600 017
6	Whether listed company	UNLISTED
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai – 600 002

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/Service	% of total turnover of the company
1	Micro Finance lending	64990	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE

S. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Equity Shares Held	Applicable Section
1	NIL	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	4,72,00,000	4,72,00,000	68	-	4,72,00,000	4,72,00,000	68	-
Sub Total (A1)	-	4,72,00,000	4,72,00,000	68	-	4,72,00,000	4,72,00,000	68	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub Total (A2)	-	-	-	-	-	-	-	-	-
Total Promoters & Promoter Group (A) = (A1)+(A2)	-	4,72,00,000	4,72,00,000	68	-	4,72,00,000	4,72,00,000	68	-
B. Public Shareholding									
1. Institutions									

a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	2,20,00,000	2,20,00,000	32	-	2,20,00,000	2,20,00,000	32	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) Non Resident Indians	-	-	-	-	-	-	-	-	-
ii) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-

iii) Foreign Nationals	-	-	-	-	-	-	-	-	-
iv) Clearing Members	-	-	-	-	-	-	-	-	-
v) Trusts	-	-	-	-	-	-	-	-	-
vi) Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B2)	-	2,20,00,000	2,20,00,000	32	-	2,20,00,000	2,20,00,000	32	-
Total Public Shareholding (B)=(B1)+(B2)	-	2,20,00,000	2,20,00,000	32	-	2,20,00,000	2,20,00,000	32	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	6,92,00,000		100	-	6,92,00,000	6,92,00,000	100	

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	4,72,00,000	4,72,00,000	68	-	4,72,00,000	4,72,00,000	68	-
Sub Total (A1)	-	4,72,00,000	4,72,00,000	68	-	4,72,00,000	4,72,00,000	68	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-

Sub Total (A2)	-	-	-	-	-	-	-	-	-
Total Promoters & Promoter Group (A) = (A1)+(A2)	-	4,72,00,000	4,72,00,000	68	-	4,72,00,000	4,72,00,000	68	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	2,20,00,000	2,20,00,000	32	-	2,20,00,000	2,20,00,000	32	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-

c) Others (specify)	-	-	-	-	-	-	-	-	-
i) Non Resident Indians	-	-	-	-	-	-	-	-	-
ii) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
iii) Foreign Nationals	-	-	-	-	-	-	-	-	-
iv) Clearing Members	-	-	-	-	-	-	-	-	-
v) Trusts	-	-	-	-	-	-	-	-	-
vi) Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B2)	-	2,20,00,000	2,20,00,000	32	-	2,20,00,000	2,20,00,000	32	-
Total Public Shareholding (B)=(B1)+ (B2)	-	2,20,00,000	2,20,00,000	32	-	2,20,00,000	2,20,00,000	32	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	6,92,00,000		100	-	6,92,00,000	6,92,00,000	100	Nil

ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	REPCO BANK LTD	4,72,00,000	68	Nil	4,72,00,000	68	Nil	Nil

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S.No.	Name of Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	REPCO BANK LTD				
	At the beginning of the year	4,72,00,000	68	4,72,00,000	68
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): No Change				No Change
	At the end of the year	4,72,00,000	68	4,72,00,000	68

iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in shareholding during the year
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company	
1	RepcO Home Finance Limited	2,20,00,000	32	2,20,00,000	32	Nil

v) Shareholding of Directors and Key Managerial Personnel

Name of the Directors and KMP *	Shareholding at the Beginning of the Year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
	No. of	% of total				No. of shares	% of total shares of the Company
Nil							

* Few Directors are holding equity shares on behalf of Repco Bank

vi) **INDEBTEDNESS – Indebtedness of the Company including interest outstanding/ accrued but not due for payment.**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,25,09,86,828	20,03,71,931	Not Applicable	7,45,13,58,759
ii) Interest due but not paid	0	0		0
iii) Interest accrued but not due	42,33,065	0		42,33,065
Total (i+ii+iii)	7,25,52,19,893	20,03,71,931		7,45,55,91,824

Change in Indebtedness during the financial year				
Addition	4,88,69,01,313	0	Not Applicable	4,88,69,01,313
Reduction	3,87,90,92,404	11,36,89,931		3,99,27,82,335
Net Change	1,00,78,08,909	11,36,89,931		89,41,18,978

Indebtedness at the end of the financial year				
i) Principal Amount	8,76,30,28,802	8,66,82,000	Not Applicable	8,84,97,10,802
ii) Interest due but not paid	0	0		0
iii) Interest accrued but not due	27,25,254	0		27,25,254
Total (i+ii+iii)	8,76,57,54,056	8,66,82,000		8,85,24,36,056

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

1. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Managing Director (Smt. R.S. Isabella)*	Whole Time Director (Sri. N. Balasubramanian)*	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2,46,984	26,93,000	29,39,984
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0
5.	Others, please specify	0	0	0
6.	Total(A)	2,46,984	26,93,000	29,39,984
	Ceiling as per the Act	10 % of Net Profit		

* Remuneration paid to Repco Bank as re-imburement

1. Remuneration to other directors:

1. Independent Directors			
Particulars of Remuneration	Shri. V. Mohandass	Shri. V. Dasaraty	Total Amount
• Fee for attending board committee meetings	63000	36000	99000
• Commission			
• Others, please specify			
Total(1)	63000	36000	99000

2. Other Non-Executive Directors			
Particulars of Remuneration	Shri. P.Mahalingam	Shri. Yashpal Gupta	Total Amount
<ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 	45000	27000	72000
Total(2)	45000	27000	72000
Total(B)=(1+2)			171000
Total Managerial Remuneration			171000
<i>Overall Ceiling as per the Act</i>	<i>1% of the Net Profit</i>		

3. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

S.No.	Particulars of Remuneration	Smt. Lakshmi Raghupathy Company Secretary	Shri. V. Balasubramanian Chief Financial Officer	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	7,52,500	7,89,000	15,41,500
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - others, specify...			
5	Others, please specify:			
	Sodexo:	66,450	59,500	1,25,950
	Incentive:	44,933	88,500	1,33,433
	Total	8,63,883	9,37,000	18,00,883

viii) **Penalties / Punishment/ Compounding of Offences:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board of Directors

N.Balasubramanian
Whole Time Director
 DIN-07832970

R.S.Isabella
Managing Director
 DIN- 06871120

Date: 29.09.2020
 Place: Chennai

ANNEXURE-II

Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to clause (0) of sub.section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate social Responsibility) Rules, 2014]

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs is given in the below link:

[https://www.repcomicrofin.co.in/pdf_files/investors_files/CSR%20Policy1%20\(1\).pdf](https://www.repcomicrofin.co.in/pdf_files/investors_files/CSR%20Policy1%20(1).pdf)

2. The composition of the CSR Committee as on 31st March, 2020 is as follows:

1	Smt. R.S. Isabella	Managing Director - Chairperson
2	Shri. V. Mohandoss	Independent Director
3	Shri. P. Mahalingam	Director

3. Average net profit before tax of the company for last three financial years

Particulars	Rs in lakh
Profit - 2018-19	6498.42
Profit - 2017-18	4460.34
Profit - 2016-17	2619.31
Average PROFIT for CSR purpose	4526.03
2% of average Profit for last three years	90.52

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) 2% of average net profit for last 3 years Rs. 90.52 lakh.

5. Details of CSR contribution made by the Company during the Financial Year

Particulars	Rs in lakh
CSR Expenditures – Between April 2019 and March 2020	90.52

a. Total amount spent by Company in CSR activities during the financial year :

Rs. In lakh

S.No.	FY	Average Net Profit (Previous three years profit)	Prescribed CSR Expenditure (2% on Avg. Net profit)	Total Amount spent	Total Amount unspent	Total Amount spent in current year
1	2019-20	4526.02	90.52	90.52	-	90.52

b. Amount unspent, if any: NIL

c. Manner in which the amount spent during the Financial Year is detailed below.

Amt Rs. In lakh

1	2	3	4	5	6	7	8
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Over-heads	Cumulative expenditure upto the reporting period	Amount spent Direct or through Implementing Agency
1	Promoting health care including preventive health care, sanitation and making available safe drinking water Promoting Education, including special education	Sector in which the Project is covered 1. Health care, Sanitation & Safe drinking water 2. Promoting education	Contribution to Repatriates welfare Trust To carry out Construction of stage, Digging & Construction of common well, Construction of toilets, Drainage and providing of Uniforms & Notebooks to Repatriate Children Nilgiris, Kothagiri, Trichy, Gudular, Chennai Districts of Tamil Nadu States where repatriate Students are studying	51.44	51.44	51.44	Implementing Agency

2	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water and dwelling units for poor	Making available safe drinking water	Contribution to Arvind Foundation Towards Rainwater Harvest & Water Storage Chennai, Tamil Nadu	3.00	3.00	3.00	Implementing Agency
3	Promoting health care including preventive health care	Health care	Contribution to RMD Pain and Palliative Care Trust Towards purchase of Dementia Ward Equipment Chennai, Tamil Nadu	5.50	5.50	5.50	Implementing Agency
4	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water and dwelling units for poor - Promoting gender equality, empowering women, setting up homes and hostels for women and orphans;	1. Health care 2. Empowering women	Contribution to Family Planning Association of India To carryout Medical camps in 10 locations Tamil Nadu	0.70	0.70*	0.70	Implementing Agency
5	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Setting up homes and hostels for women and orphans	Contribution to Asha Nivas To run the shelter homes Chennai, Tamil Nadu	1.96	1.96	1.96	Implementing Agency

6	Disaster Management, including relief, rehabilitation and reconstruction activities	Disaster Management including relief	Contribution to Flood relief Supply of Tarpaulin 500 numbers to the Revenue Divisional Officer, Gudalur, The Nilgris, Tamil Nadu	3.55	3.55	3.55	Direct Contribution
7	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens	Contribution to Thillaiyambur Muthiyore Kaapagam To procure Steam boiler for the old age home Kumbakonam, Tamil Nadu	1.15	1.15	1.15	Implementing Agency
8	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining of quality of soil, air and water	Maintaining of quality of soil, air and water	Contribution to Attikulam Kanmai, project To restore Attikulam kanmoi catchment area Madurai, Tamil Nadu	2.50	2.50	2.50	Implementing Agency
9	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water and dwelling units for poor	Promoting preventive health care	Contribution to MedIndia Charitable Trust To conduct Medical consultation camp for issuing life saving QR coded Digital Health cards to differently abled school student Chennai, Tamil Nadu	3.00	3.00*	3.00	Implementing Agency

10	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water and dwelling units for poor	Promoting preventive health care	Contribution to Kanchi Kamakoti Childs Trust Hospital (The Childs Trust) To procure pulse oximeters and installation in various wards Chennai, Tamil Nadu	2.60	2.60	2.60	Implementing Agency
11	Promoting education, including special education and employment enhancing vocations skills specially among children, women, elderly and the differently abled and livelihood enhancement projects	Promoting education, including special education and employment enhancing vocations skills specially among children	Contribution to Uranthai Annai Theresa Samugapani Iyakkam To procure Stationery items, furniture Trichy, Tamil Nadu	8.00	8.00	8.00	Implementing Agency
12	Promoting health care including preventive health care, sanitation	Preventive health care, sanitation	Contribution to Greater Chennai Police, Tamilnadu To procure Masks, etc. Chennai, Tamil Nadu	2.12	2.12	2.12	Direct
13	Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM Cares Fund)	Disaster Management including relief	Contribution to PM CARES FUND	5.00	5.00	5.00	Direct

* Company has contributed the entire amount to the implementing agency, however due to outbreak of COVID-19 the implementing agencies could not spend the entire amount and have assured to spend the amount once situation resumes to normalcy.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

We hereby confirm, on behalf of the CSR Committee, that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

V. Mohandoss
Member

R.S.Isabella
Chairperson

ANNEXURE-III

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2020

[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,
Repco Micro Finance Limited
CIN# U74900TN2007PLC064126
'Repco 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 31st, 2020 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 31st, 2020 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 has:-

- i. Pursuant to the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 the Company has completed the dematerialisation of the equity shares of the company with NSDL. The ISIN number issued by NSDL is INE08J901015 and the ISIN is activated in the system from 29.05.2019.
- ii. 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, 2019 between October 28 – November 05, 2019. During the course of the inspection, RBI noted certain observations which the company is required to fulfil and report compliance to RBI. It is noted that the company has complied with majority of the critical observations made by RBI, excepting to updation of the Borrowing Policy and ALM Policy.
- iii. Identified and unearthed fraud committed by 2 employees and accordingly made a provision of Rs.13,56,504 in the books of accounts in respect of the same.

Place : Chennai
Date: 08.08.2020

Sd/-
Amit Rathi
Company Secretary in Practice
ACS No. 30354
CP No. 11081
ICSI UDIN: A030354B000564206

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: 08.08.2020

Sd/-
Amit Rathi
Company Secretary in Practice
ACS No. 30354
CP No. 11081
ICSI UDIN: A030354B000564206

ANNEXURE-IV

Nomination & Remuneration Policy

1. Introduction:

In terms of Section 178 of the Companies Act, 2013 (as amended from time to time), this policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management of Repco Micro Finance Limited this policy is formulated.

This policy shall act as guideline on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

2. Definitions:

In this policy unless the context otherwise requires,-

- a) Act: means the Companies Act 2013 and rules there under, as amended from time to time.
- b) Company: means “Repco Micro Finance Limited / RMFL”.
- c) Board: means “Board of Directors” of RMFL.
- d) Director: means Directors of the Company other than Independent directors and executive directors.
- e) Independent Director: means a Director referred to in Section 149 (6) of the Companies Act, 2013 and who has registered himself/herself with the Independent Directors’ data base portal and who has passed the online proficiency self-assessment test within one year from inclusion of his / her name in the data bank
- f) Committee: means “Nomination & Remuneration Committee” of the Company as constituted by the Board from time to time.
- g) Key Managerial Personnel or KMP: means Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and such other persons who may be considered to be KMP under the Companies Act, 2013 or as may be identified by the Board.
- h) Personnel Administration Division or PAD: means the division responsible for recruitment
- i) Remuneration: means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961 (43 of 1961)
- j) Senior Management Personnel: means officers/personnel of the Company who are members of its Core Management Team excluding Board of Directors and including members of Management one level below the Managing Director/ Executive Directors (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall include Company Secretary and Chief Financial Officer.

The words and expressions used but not defined herein, but defined under the Companies Act, 2013 shall have the meaning assigned therein.

3. Key objectives of the Committee:

- a) To guide the Board in relation to the appointment and removal of Directors and Key Managerial Personnel and Senior Management.
- b) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- c) To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- d) To recommend to the Board remuneration payable to the Directors and Key Managerial Personnel and Senior Management Personnel;
- e) Consider any other matters as may be prescribed under the Act or as may be requested by the Board from time to time.

4. Guiding Principles

The Policy ensures that

The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management Personnel of the quality required to run the Company successfully.

Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and

Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

5. Constitution of the “Nomination & Remuneration Committee:

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Company’s policies and applicable statutory requirements. The Committee shall comprise at least three directors, all of whom shall be non-executive directors at least half shall be independent. Minimum two members shall constitute a quorum for the Committee Meeting.

Chairman of the Committee shall be an Independent Director. Chairperson of the Company may be appointed as a member of the committee but shall not chair the committee. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

The Company Secretary of the Company shall act as the Secretary of the Committee.

Membership of the Committee shall be disclosed in the Annual Report. The terms of the Committee shall be continued unless terminated by the Board of Directors.

6. Frequency of meetings:

The meeting of the Committee shall be held at regular intervals as may be deemed fit and appropriate.

The Chairman of the Committee or in his/her absence any other member of the Committee authorized by him/her on his/her behalf shall attend the Annual General Meeting of the Company.

The Committee may invite such executives, as it considers appropriate to be present at the meetings of the Committee

The Nomination & Remuneration Committee shall establish a mechanism to carry out its functions, assign any /all of its powers to Whole-time Director and/or PAD of the Company, as deemed necessary for proper and expeditious execution.

7. Committee member's interest:

A member / invitee of the Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.

8. Appointment and Removal of Director, Key Managerial Personnel & Senior Management:

Appointment Criteria & Qualification:

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

The Company shall not appoint or continue the employment of any person as Managing Director / Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

The recruitment process for selection of KMP and Senior Management personnel commences after the approval of manpower requisitions by the appointing authority (depending upon the salary level).

Term / Tenure:

Managing Director / Whole-Time Director / Manager (Managerial Person):

The Company shall appoint/ re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Evaluation:

The committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under or as per the prevailing regulations of the Company, the Committee may recommend to the Board with reasons recorded

in writing, removal of Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and Company regulations.

Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and as per the prevailing regulations of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age for the benefit of the Company by following the due process.

9. Remuneration to Managerial Person, Key Managerial Personnel and Senior Management

General

- a) The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommend to the Board for approval. The remuneration payable to Managerial Person is subject to the approval of the Shareholders wherever required as the provisions of the Companies Act, 2013 and the rules made thereunder.
- b) If in any financial year, the Company has no profits or its profits are inadequate the Company shall pay remuneration to its Managerial Person in accordance with provisions of Schedule V of the Companies Act, 2013.
- c) Increase to the existing remuneration / compensation structure to Managerial Person may be recommended by the Committee to the Board, which shall be subject to the approval of the shareholders wherever required.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- e) The composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate the Key Managerial Personnel and Senior Management of the quality required to effectively run the Company and the same shall be reviewed annually. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks.

f) Remuneration to Non-Executive & Independent Directors.

Sitting Fees

The Non-executive Directors and Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board / Committee meetings thereof in accordance with the provisions of Companies Act, 2013. Provided that the amount of such fees shall not exceed Rs. 1 lakh per meeting of the board or committee. Provided that for Independent Directors and women Directors the sitting fee shall not be less than the sitting fee payable to other Directors

g) Limit of Remuneration / Commission.

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

h) Stock Options.

An Independent Director shall not be entitled to any stock option of the Company.

10. Policy on Board diversity:

The Board shall comprise of Directors having expertise in different areas / fields like Finance, Sales and Marketing, Banking, Engineering, Human Resource Management, Legal etc. or as may be considered appropriate. In designing the Board's composition, Board diversity may be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge. The Board shall have at least one Board member who has accounting or related financial management expertise and at least one-woman director.

11. Minutes of Committee Meeting:

The Proceedings of all the "Nomination & Remuneration Committee" meetings must be minuted and signed by the Chairman of the Committee. The minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

12. Amendments to the Nomination and Remuneration Policy:

The Board on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this policy, as deemed fit from time to time.

Independent Auditor's Report

P.B. Vjayaraghavan & Co.,
Chartered Accountants

Registered Office:
14, (Old No. 27) Cathedral Garden Road,
Nungambakkam, Chennai - 6000 034.
Tel: +91-44-2826 3918 / 3490
Mobile : +91-98401 88734
Fax: +91-44-2827 6519
e-mail: admin@pbv.co.in

To the members of REPCO MICRO FINANCE LIMITED, Chennai.

Report on the Financial Statements.

We have audited the accompanying standalone financial statements of **REPCO MICRO FINANCE LIMITED (Formerly Repco MSME Development and Finance Limited)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by The Companies Act 2013 ("the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its Profit and loss and its cash flow for the year ended on that date.

Basis for Opinion:

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act(SAs).

Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 independence requirements that are relevant to our audit of the standalone 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note I to the Financial Results of the Company where moratorium has been granted for loans which are overdue but standard as on 29th February 2020, based on days past due status as on that date in accordance with Reserve Bank of India COVID-19 Regulatory Package. As a prudent measure, the Company has recognized provision of 5% for the current year on all overdue accounts as on 29th February 2020, in accordance with the Reserve Bank of India COVID-19 Regulatory Package. Also the extent to which the COVID-19 pandemic will have an impact on the Company's financial performance which is dependent on future developments, are highly uncertain.

Our Opinion on the financial results is not modified in respect of the above matters.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The Management is also responsible for ensuring that the Company complies with the requirements of Master Circular and other applicable circulars and guidelines issued by the RBI as applicable and for providing all relevant information to RBI.

Auditor's Responsibility for the audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs

will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in Annexure - I a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
 - a) As required by Section 143 (3) of the Act, we report that: We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of internal financial control systems and the operating effectiveness of such controls, we give our Report in Annexure– II
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its 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.

Place: Chennai
Date: 14.07.2020

P. B. Vijayaraghavan & Co.,
Chartered Accountants
FRN: 004721S

P.B.Santhanakrishnan
Partner
M.No.020309

Annexure-I to Independent Auditor's Report

Statement of matters specified in Para 3 & 4 of the order referred to in subsection (1.1) of section 143

1) Fixed Assets

1. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
2. As per the information and explanation given to us, all the fixed assets 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.
3. No immovable properties are held by the Company, hence reporting on this clause is not applicable.

2) Inventory

The Company is a Non-Banking finance company, and it does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable to Company.

3) Transactions with parties covered by register referred to in section 189

The company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4) Loans by company to persons covered by section 185 & 186

The company has not made investment or granted loans, guarantees, and security to persons covered by section 185 and/or section 186 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable to the Company.

5) Public Deposits

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 sections 73 to 76 or any other provisions of the Companies Act and the rules made there under are not applicable to the company.

6) Maintenance of Cost Records

Maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.

7) Statutory dues

The company is regular in depositing undisputed statutory dues including provident fund, income-tax, GST, and any other statutory dues to the appropriate authorities.

8) Repayment of Loans

The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders during the relevant financial year.

9) Raising of monies through Public Offer and/or Term Loans

The company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the period covered under the relevant financial year. The company has taken term loans during the financial year and the same has been utilised for the intended purpose.

10) Frauds

According to the information and explanations given to us, two employees have committed a fraud on the Company during the year. The Company has made a provision of Rs.13,56,504 in respect of the same.

11) Managerial Remuneration

Managerial remuneration has been paid/provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12) Compliance with Net Owned Funds Ratio & unencumbered term deposits

The company is not a Nidhi company and hence the provisions relating maintenance of ratio of Net Owned Funds to Deposits and maintenance of minimum prescribed percentage of unencumbered term deposits are not applicable to the Company.

13) Transaction with Related Parties

The Company has entered into transactions with the related parties which are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

14) Preferential Allotment or Private Placement

The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review as referred to in section 42 of the Companies Act, 2013.

15) Non-cash transactions

The company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.

16) Registration with Reserve Bank of India

The company is carrying on activities, which require registration under section 45-IA of the Reserve Bank of India Act, 1934 and necessary registration has been obtained from Reserve Bank of India.

Place: Chennai

Date: 14.07.2020

P. B. Vijayaraghavan & Co.,

Chartered Accountants

FRN: 004721S

P.B.Santhanakrishnan

Partner

M.No.020309

Annexure-II to Independent Auditor's Report

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

Opinion

We have audited the internal financial controls over financial reporting of **REPCOMICRO FINANCE LIMITED (Formerly Repco MSME Development and Finance Limited)** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable

to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Place: Chennai

Date: 14.07.2020

P. B. Vijayaraghavan & Co.,

Chartered Accountants

FRN: 004721S

P.B.Santhanakrishnan

Partner

M.No.020309

REPCO MICRO FINANCE LIMITED
BALANCE SHEET AS AT 31STMARCH 2020

Particulars	Note No	As at 31st March 2020 (Amt in Rs.)	As at 31st March 2019 (Amt in Rs.)
I EQUITY AND LIABILITIES			
Shareholder's funds			
-Share Capital	2	69,20,00,000	69,20,00,000
-Reserves and Surplus	3	1,41,33,69,943	97,24,42,660
Non-current liabilities			
-Long Term Borrowings	4	2,78,73,54,563	1,93,06,44,652
-Deferred Tax Liabilities (Net)		-	-
-Long term Provisions	5	25,29,44,094	12,90,02,055
Current Liabilities			
-Short Term Borrowings	6	3,88,69,01,313	3,66,44,40,656
-Other Current Liabilities	7	2,21,56,40,314	1,89,05,62,256
-Short Term Provisions	8	77,51,252	20,14,832
TOTAL		11,25,59,61,480	9,28,11,07,112
II ASSETS			
Non-Current Assets			
-Fixed Assets	9		
-Property, Plant & Equipment		3,75,12,029	3,72,19,917
-Intangible Assets		72,28,225	1,10,79,249
-Deferred tax assets (net)	10	2,74,55,555	1,73,40,705
-Long term loans and advances	11	5,16,44,98,898	3,88,99,76,625
Current Assets			
-Cash and cash Equivalents	12	27,77,77,531	10,70,03,399
-Short-Term Loans and Advances	13	5,70,90,56,412	5,20,44,90,675
-Other Current Assets	14	3,24,32,830	1,39,96,542
TOTAL		11,25,59,61,480	9,28,11,07,112
Significant Accounting Policies	1		
Notes Forming Part of Accounts	20		

For P B Vijayaraghavan & Co.,
Chartered Accountants
Firm Regn No:004721S

P.B.SANTHANAKRISHNAN
Partner
Membership No: 020309

N.Balasubramanian
Director
DIN No:07832970

R.S.Isabella
Managing Director
DIN No:06871120

Place: Chennai
Date: 14.07.2020

V.Balasubramanian
Chief Financial Officer
Membership No:029407

Lakshmi Raghupathy
Company Secretary
Membership No:38072

REPCO MICRO FINANCE LIMITED
Statement of Profit and Loss For The Year ended 31st March, 2020

Particulars		Note No	As at 31st March 2020 (Amt in Rs.)	As at 31st March 2019 (Amt in Rs.)
III	INCOME:			
	Revenue From Operations	15	1,81,92,62,042	1,47,01,44,697
	Other Income	16	10,13,61,183	9,28,34,762
	Total Income		1,92,06,23,225	1,56,29,79,459
IV	EXPENDITURE			
	Employee Benefit Expenses	17	19,59,31,484	18,56,29,096
	Finance Costs	18	76,50,06,140	59,98,09,929
	Depreciation	9	1,60,84,178	1,42,40,246
	Other Expenses	19	8,33,66,901	8,39,22,568
	Provision for Non-Performing Assets		11,47,27,503	2,13,77,512
	Provision for Standard Assets & Other Contingencies		79,19,275	81,57,297
	Provision for Other Contingencies (COVID 19)		12,95,255	-
	Total Expenditure		1,18,43,30,736	91,31,36,648
V	Profit Before Taxation (III-IV)		73,62,92,490	64,98,42,811
VI	Tax Expense:			
	(1) Current Tax		20,53,67,020	18,98,65,328
	(2) Tax expense of earlier years		-	-
	(3) Deferred Tax		1,01,14,850	47,03,736
VII	Net Profit/(Loss) for the period		54,10,40,320	45,52,73,747
VIII	Earnings per equity share			
	Weighted Average Number of Shares Outstanding during the Period		6,92,00,000	6,44,87,671
	Basic and Diluted Earnings per share		7.82	7.06
	Nominal value per Equity Share		10.00	10.00
	Significant Accounting Policies	1		
	Notes Forming Part of Accounts	20		

For P B Vijayaraghavan & Co.,
Chartered Accountants
Firm Regn No:004721S

P.B.SANTHANAKRISHNAN
Partner
Membership No: 020309

N.Balasubramanian
Director
DIN No:07832970

R.S.Isabella
Managing Director
DIN No:06871120

Place: Chennai
Date: 14.07.2020

V.Balasubramanian
Chief Financial Officer
Membership No:029407

Lakshmi Raghupathy
Company Secretary
Membership No:38072

REPCO MICRO FINANCE LIMITED					
		Number	Amount (Rs)	Number	Amount (Rs)
Shareholder's fund					
Note 2:					
A : SHARE CAPITAL					
Authorised Capital					
Equity shares of Rs.10/- each	2	10,00,00,000	1,00,00,00,000	10,00,00,000	1,00,00,00,000
Issued, Subscribed & Paid up Capital					
Equity shares of Rs.10/- each fully paid up.		6,92,00,000	69,20,00,000	6,92,00,000	69,20,00,000
As per Balance Sheet					
(a) Reconciliation of Share outstanding at the beginning and at the end of the year.					
Shares outstanding at the beginning of the year		6,92,00,000	69,20,00,000	4,92,00,000	49,20,00,000
Shares issued during the year		-	-	2,00,00,000	20,00,00,000
Shares bought back during the year.		-	-	-	-
Shares outstanding at the end of the year		6,92,00,000	69,20,00,000	6,92,00,000	69,20,00,000
Out of the above, shares held by		4,72,00,000	47,20,00,000	4,72,00,000	47,20,00,000
Repco Bank Limited (Promoter)					
b) Shareholder holding more than 5 % of share capital					
Name of Shareholder					
Repco Bank Limited		47,20,00,000	68%	47,20,00,000	68%
Repco Home Finance Limited		22,00,00,000	32%	22,00,00,000	32%
		69,20,00,000	100%	69,20,00,000	100%
c) Shares allotted for consideration other than cash					
Out of the above 74,99,940 Equity shares are allotted to Repco Bank on 31/03/2010 for consideration other than cash.					

(d) Terms / rights attached to Equity Shares:	3			
<p>The Company has only one class of Equity Share having a par value of Rs.10/- per share. Each holder of Equity Share is entitled to one vote per share.</p> <p>Dividend (if any) proposed by the board of directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.</p> <p>Note 3:</p> <p>RESERVES AND SURPLUS</p> <p>a) STATUTORY RESERVE(UNDER SECTION 45IC OF RBI ACT)</p> <p>Opening Balance</p> <p>(+) Current Year Transfer</p> <p>(-) Written Back in Current Year</p> <p>Closing Balance</p> <p>b) General Reserve</p> <p>Opening Balance</p> <p>(+) Current Year Transfer</p> <p>(+) Dividend paid with Tax</p> <p>Closing Balance</p> <p>c. Surplus In Statement of Profit and Loss</p> <p>Opening balance</p> <p>(+)Net Profit / (Loss) for the year</p> <p>(-)Appropriations</p> <p>(-) Transfer to Statutory Reserve</p>	3			
			25,00,54,749	15,90,00,000
			10,82,08,064	9,10,54,749
			-	-
			35,82,62,814	25,00,54,749
			8,50,00,000	1,39,41,227
			-	7,10,58,773
			8,50,00,000	8,50,00,000
			63,73,87,911	41,54,06,310
			54,10,40,320	45,52,73,747
			-	-
			-10,82,08,064	-9,10,54,749

(-) Transfer to General Reserve			-	-7,10,58,773
(-)Dividend paid for previous year with Dividend distribution tax				
(-)Dividend Distribution tax paid			-1,70,73,037	-1,21,38,624
(-) Dividend paid			-8,30,40,000	-5,90,40,000
Closing balance			97,01,07,130	63,73,87,911
Total of Reserves and Surplus (a+b+c)			1,41,33,69,943	97,24,42,660
Note 4:				
Non-Current Liabilities				
LONG TERM BORROWINGS	4			
Secured				
Term Loan from Banks			90,50,11,972	93,84,72,525
* Long Term Borrowings and current maturities of long term borrowings from Banks are Secured by Hypothecation of Micro finance Receivables				
Secured				
Term Loans from Repco Bank			1,88,23,42,591	99,21,72,127
As per Balance Sheet			2,78,73,54,563	1,93,06,44,652
Note 5:				
LONG TERM PROVISIONS:	5			
Towards Non Performing advances			20,74,36,159	9,27,08,656
Towards Standard advances			4,25,33,852	3,62,93,405
other contingencies			16,78,828	-
other contingencies(COVID19)			12,95,255	-
As per Balance sheet			25,29,44,094	12,90,02,055
Note 6:				
SHORT TERM BORROWINGS:	6			
Secured				

Loans repayable on Demand			
From Related parties - SODL from Repco Bank		3,88,69,01,313	3,66,44,40,656
As per Balance Sheet		3,88,69,01,313	3,66,44,40,656
*Short Term Borrowings from Repco Bank is Secured by Hypothecation of Micro finance Receivables			
Note 7:			
OTHER CURRENT LIABILITIES	7		
Current Maturities of Long Term Borrowings			
Secured			
Term Loans from Banks		2,08,87,72,926	1,77,80,73,647
Unsecured			
Term Loans from Repco Bank		8,66,82,000	7,81,99,804
Other Liabilities*		4,01,85,388	3,42,88,805
*There are no Micro and Small Enterprises to whom the company owes dues, which are outstanding for more than 45 days as of 31st March 2020. This information as required to be disclosed under Micro Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no overdues to parties on account of principal amount and/or interest and accordingly no additional disclosures have been made.			
As per Balance sheet		2,21,56,40,314	1,89,05,62,256

Note 8:				
SHORT TERM PROVISIONS	8			
Employee benefits			32,84,232	97,49,504
Income Tax (Net of Advance Tax)			4467020	-77,34,672
As per Balance Sheet			77,51,252	20,14,832
Note 10:				
DEFERRED TAX	10			
Deferred Tax Assets:				
Provision towards Non performing advances/ Standard Advances and other contingencies			2,82,52,198	1,61,94,849
Other timing Differences			8,26,576	28,39,056
Gross Deferred Tax Asset (A)			2,90,78,774	1,90,33,904
Deferred Tax Liabilities:				
Difference Between Written Down Value of Fixed Assets as per Companies act and as per Income tax Act.			16,23,218	16,93,199
Gross Deferred Tax Liability (B)			16,23,218	16,93,199
Net Deferred tax Asset/(Liability) (A-B)			2,74,55,555	1,73,40,705
As per Balance sheet	11		2,74,55,555	1,73,40,705
LONG TERM LOANS & ADVANCES				
(Un Secured & Considered Good excepting Non performing advances)				
Micro Finance Loans to Self Help groups			5,14,99,66,618	3,87,66,79,875
Rent Deposit			1,45,32,280	1,32,96,750
In the opinion of the Management, the current assets, Loans and Advances as stated in the Balance Sheet are realizable in the normal course of business				
As per Balance Sheet			5,16,44,98,898	3,88,99,76,625

Note 12:				
CASH AND CASH EQUIVALENTS	12			
Cash on Hand			3,772	3,752
Balances with Banks				
- Current Account			27,77,73,759	10,67,67,443
- Savings Bank account			-	2,32,204
As Per Balance Sheet			27,77,77,531	10,70,03,399
Note 13				
SHORT TERM LOANS & ADVANCES	13			
(Un Secured, considered good excepting Non performing advances)				
Current Maturities of Micro finance Loan			5,69,03,47,681	5,19,50,81,338
Current Maturities of Other advances			22,14,627	30,19,539
Prepaid expenses			53,27,611	56,89,278
Advances recoverable in Cash or in Kind or value to be received			1,11,66,493	7,00,520
Advance Tax/TDS (Net of provision for Income tax)			-	-
In the opinion of the Management, the current assets, Loans and Advances as stated in the Balance Sheet are realizable in the normal course of business.				
As per Balance sheet			5,70,90,56,412	5,20,44,90,675
Note 14				
OTHER CURRENT ASSETS				
Interest overdue on Micro Finance Loans			3,24,32,830	42,33,065
Interest accrued on MF loans			-	97,63,477
As per Balance sheet			3,24,32,830	1,39,96,542

Weighted Average Number of Shares Outstanding during the Period

WANES computation		No of days used	No of shares	WANES
01.04.2019	31.03.2020	365	4,92,00,000	4,92,00,000
01.04.2019	31.03.2020	365	2,00,00,000	2,00,00,000
		730		6,92,00,000

REPCO MICRO FINANCE LIMITED			
Particulars	Note No	As at 31st March 2020(Amt in Rs.)	As at 31st March 2019 (Amt in Rs.)
Note 15			
Revenue from operations	15		
Interest from Micro Finance Loan		1,81,92,62,042	1,47,01,44,697
Total		1,81,92,62,042	1,47,01,44,697
Note 16			
Other income:	16		
Recovery of bad debts written off		-	62,912
Evaluation Fee		10,10,68,038	9,27,06,780
Others		2,93,145	65,070
Total		10,13,61,183	9,28,34,762
Note No.17			
Employee benefit expenses:	17		
Salaries & Allowances		13,83,45,917	14,27,71,137
Contribution to provident and other funds		90,75,052	43,57,081
Staff Welfare		4,85,10,515	3,85,00,878
Total		19,59,31,484	18,56,29,096
Note No.18			
Finance Costs:	18		
Interest on Term Loans		38,16,80,440	28,08,84,652
Interest on SODL/ Cash Credit		37,25,76,566	31,54,72,682
Others		1,07,49,133	34,52,595
Total		76,50,06,140	59,98,09,929
Note No.19			
Other expenses :	19		
Printing and Stationery		26,14,061	18,73,243
Office Expenses, Postage & Telegraph		52,19,800	39,64,816
Rent		2,45,39,300	2,02,81,070
Repairs and Maintenance - others		35,89,098	22,20,234
Telephone Charges		24,16,446	19,04,312
Electricity Charges		26,96,401	24,41,499
Remuneration to Auditors towards			
- Statutory audit		5,45,000	4,72,000
- Tax audit and tax representation		1,45,850	1,74,400
- Other Services		2,77,950	1,47,150

Professional & Legal Charges		79,84,110	43,60,682
Leased Line Charges		92,02,811	91,65,240
Bad debts written off		93,77,341	1,93,46,232
CSR Activities		85,52,310	1,05,91,872
Flood Relief contribution to Chief Minister Fund		-	10,00,000
PM Care fund		5,00,000	-
Other expenses		57,06,423	59,79,818
Total		8,33,66,901	8,39,22,568
* Professional and Legal Charges is inclusive of Ind AS Audit fees paid to auditors			

REPCO MICRO FINANCE LIMITED				
CASH FLOW STATEMENT FOR THE YEAR ENDING MARCH 31, 2020				
Particulars	For the year ended		For the year ended	
	March 31, 2020		March 31, 2019	
	(Amt in Rs.)		(Amt in Rs.)	
1 CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX		73,62,92,490		64,98,42,811
Adjustments For:				
Depreciation_added back	1,60,84,178		1,42,40,246	
(Profit)/Loss on Sale of Fixed Assets			-	
Interest Earned on Deposits			-	
Bad debts written off	93,77,341		1,92,83,320	
Deffered tax	-			
Provision for Non-Performing Assets/Standard Assets	12,39,42,039		2,95,34,803	
		14,94,03,558		6,30,58,369
Operating Profit Before Working Capital Changes		88,56,96,048		71,29,01,180
Changes in Working Capital				
Increase/(Decrease) in other current liabilities		57,36,420		-1,22,91,311
(Increase)/Decrease in Long term and short term loans & advances		21,31,61,263		66,61,28,023
(Increase)/Decrease in other current assets		(2,78,13,629)		(2,36,15,186)
Increase/(Decrease) in current liabilities		32,50,78,058		51,40,72,428

	Operating Profit after Working Capital Changes	1,40,18,58,160	1,85,71,95,134
	Direct Taxes Paid	(20,53,67,020)	(18,98,65,328)
	Net Cash From Operations	1,19,64,91,140	1,66,73,29,806
	(Increase)/Decrease in Micro finance loans_outflow	(1,27,45,22,273)	(38,08,22,931)
	(Increase)/Decrease in Current maturities of Micro finance loans	(49,52,66,343)	(1,68,69,28,121)
	Net Cash Generated from operating activity (A)	(57,32,97,476)	(40,04,21,246)
2	Cash Flow From Investing Activities		
	Purchase of Fixed Assets_outflow	(1,25,25,266)	(4,34,64,289)
	Sale of Fixed Assets	-	-
	Subscription to Investments	-	-
	Interest Earned on Deposits	-	-
	Dividend received on Investments	-	-
	Net Cash Used in Investing Activities (B)	-1,25,25,266	-4,34,64,289
3	Cash Flow From Financing Activities		
	Proceeds from Issue Share Capital(Net off of Issue Expenses)	-	20,00,00,000
	Increase in Secured and Unsecured Loans(Net)_inflow	85,67,09,911	41,88,02,813
	Dividends Paid(Including Dividend distribution tax)	(10,01,13,037)	(7,11,78,624)
	Net Cash Used in Financing Activities (C)	75,65,96,874	54,76,24,189
	Net Increase/Decrease in cash and cash equivalent (A+B+C)	17,07,74,132	10,37,38,655
	Cash and Cash Equivalents - Opening Balance (D)	10,70,03,399	32,64,744
	Cash and Cash Equivalents - Closing Balance *	27,77,77,531	10,70,03,399

Net Increase/(Decrease) in Cash and Cash Equivalents (E-D) * Includes balance in unpaid dividend account which are not available for use by the company		17,07,74,132		10,37,38,655
Note: 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: (i) Balances with banks - in Current accounts - in savings bank account - in deposit accounts with original maturity upto 3 months (ii) Cash on hand		27,77,73,759 - - 3,772		10,67,67,443 2,32,204 3,752
		27,77,77,531		10,70,03,399

For P B Vijayaraghavan & Co.,
Chartered Accountants
Firm Regn No:004721S

P.B.SANTHANAKRISHNAN
Partner
Membership No: 020309

N.Balasubramanian
Director
DIN No:07832970

R.S.Isabella
Managing Director
DIN No:06871120

Place: Chennai
Date: 14.07.2020

V.Balasubramanian
Chief Financial Officer
Membership No:029407

Lakshmi Raghupathy
Company Secretary
Membership No:38072

REPCO MICRO FINANCE LIMITED
Particulars of depreciation applicable as per the Companies Act

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
	As on 1st April 2019	Additions	Deletions	As on 31st March 2020	As on 31st March 2019	For the year	Deletions	As on 31st March 2020	As on 31st March 2019	
TANGIBLE ASSETS :										
Furniture and fittings	79,75,287	11,29,968	-	91,05,255	31,31,681	7,79,342	-	39,11,023	51,94,232	48,43,606
Temporary Structures	1,66,06,692	33,05,010	-	1,99,11,702	1,58,19,114	31,39,760	-	1,89,58,874	9,52,829	7,87,578
Office equipments	21,90,730	10,83,161	-	32,73,891	10,87,105	4,50,686	-	15,37,791	17,36,100	11,03,625
Electrical equipments	43,50,337	18,43,230	-	61,93,567	8,32,938	5,00,360	-	13,33,298	48,60,269	35,17,399
Computer	3,88,81,004	45,63,157	-	4,34,44,161	2,91,59,864	50,35,219	-	3,41,95,083	92,49,078	97,21,140
Servers and net-works	1,91,83,596	-	-	1,91,83,596	33,56,029	13,59,388	-	47,15,417	1,44,68,179	1,58,27,567
Vehicles	24,76,929	-	-	24,76,929	10,57,925	3,67,662	-	14,25,587	10,51,342	14,19,004
Total	9,16,64,575	1,19,24,526	-	10,35,89,101	5,44,44,656	1,16,32,416	-	6,60,77,072	3,75,12,029	3,72,19,917
INTANGIBLE ASSETS:										
Software	1,45,31,467	6,00,738	-	1,51,32,205	34,52,218	44,51,762	-	79,03,980	72,28,225	1,10,79,249
Total	1,45,31,467	6,00,738	-	1,51,32,205	34,52,218	44,51,762	-	79,03,980	72,28,225	1,10,79,249
Gross Total	10,61,96,042	1,25,25,264	-	11,87,21,306	5,78,96,874	1,60,84,178	-	7,39,81,052	4,47,40,254	4,82,99,166

Particulars of depreciation applicable as per the Income tax Act, 1961

Block of assets	Rate of Depreciation	Opening written down value 1st April 2019	Additions made during the year			Deletion Sale of Asset	Total cost	Depreciation for the Year			WDV as on 31.03.2020
			Put to use for <180 days	Put to use for >= 180 days	TOTAL Additions			More than 180 days	Less than 180 days	Total	
Plant & Machinery (Vehicles)	15%	15,43,175	-	-	-	-	15,43,175	2,31,476	-	2,31,476	13,11,699
Furniture & Fixture	10%	53,06,735	4,26,677	7,03,291	11,29,968	-	64,36,703	6,01,003	21,334	6,22,336	58,14,367
Electrical Fittings, Electronic Equipments and office equipment	15%	45,33,104	16,79,447	12,46,944	29,26,391		74,59,495	8,67,007	1,25,959	9,92,966	64,66,529
Computer and Software	40%	2,97,38,338	30,78,709	20,85,186	51,63,895		3,49,02,233	1,27,29,410	6,15,742	1,33,45,151	2,15,57,082
Temporary Structure	40%	13,69,949	16,80,348	16,24,662	33,05,010	-	46,74,959	11,97,844	3,36,070	15,33,914	31,41,045
Total		4,24,91,300	68,65,181	56,60,083	1,25,25,264	-	5,50,16,565	1,56,26,740	10,99,104	1,67,25,844	3,82,90,721

Note:

1. The auditors have relied upon the Income tax records of the Company for the information regarding the opening written down value of the assets. For the classification of additions to assets, the auditors have relied upon the management's classification.
2. There are no adjustments on account of any Cenvat credit, foreign exchange fluctuation, subsidy/grant, receipt during the year.
3. In relation to additions to fixed assets, the date of installation and date of asset put to use are as certified by the Company.

NOTE 1:

CORPORATE INFORMATION

Repco Micro Finance Limited (“RMFL” / “the Company”) was incorporated on 27th June 2007. The Company is a Non-Banking Finance Company - Micro Finance Institution (NBFC-MFI).

RMFL is predominantly engaged in the business of providing financial and other related support service to Self Help Group (SHG) with a view to enhance their income generation capabilities.

The company provides collateral free loans to self-help groups and the repayment of the loans are by way of equated monthly instalments.

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 on 23rd January 2014 and the company also fulfilled all conditions stipulated to be classified as NBFC-MFI.

Significant Accounting policies:

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention method in accordance with the Generally Accepted Accounting Principles (GAAP) and the provisions of the Companies Act 2013 and Mandatory Accounting Standards as prescribed under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014. The accounting policies adopted in the preparation of financial statements are consistent with those followed in previous year.

The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India for NBFC-MFIs.

11 - 2018

B. Income Recognition:

- a. Interest income on Loans given is recognized under effective rate of interest method. Income on Non – Performing assets is recognized only when realized in accordance with the Reserve Bank of India Guidelines.
- b. All other income is recognized on an accrual basis.
- c. Evaluation fee is recognized upfront when it becomes due.

C. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known /materialise.

D. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

E. Provision for Non-Performing Assets/Performing Assets:

Advances are classified into Performing and Non- Performing Assets. Provision for Performing and Non-performing assets are made in accordance with the Reserve Bank of India Guidelines. As Per RBI Master Direction DNBR.PD.008/03.10.119/2016-17 (Non-Banking Financial Company –Systematically Important, Non Deposit taking Company (Reserve Bank) Directions,2016, as amended).

The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of the following:

1% of the outstanding loan portfolio

(or)

50% of the aggregate loan balances where instalments are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan balances where instalments are overdue for 180 days or more.

In Addition to the above, the provisions at 0.4% has been made on the standard assets outstanding balance as on 31st March, 2020.

The Company has made a provision at 100% in respect of all loans more than 90 days overdue as against the requirement of 50% between 90 days and 180 days and 100% beyond 180 days

F. Fixed Assets and Depreciation:

Fixed Assets are stated at cost less accumulated depreciation. Cost includes taxes, duties and other incidental expenses related to the acquisition and installation of the assets.

Depreciation on Fixed assets is provided on the basis of schedule II of the Companies Act 2013.

The Management estimates useful life of the Fixed Assets as follows:-

Nature of the asset	Useful life in years
Furniture and Fittings	10
Office Equipment	5
Electrical Equipment	10
Computer Software and electronic equipment	3
Temporary Structure (Partition work)	1
Vehicles	6.67
Computer Server and network	6 (revised)

For the Financial Year 2019-2020, the Company has revised the useful life of the Server to 6 years from 3 years which has resulted in a decrease in depreciation by Rs.16,78,014.41 as on 31st March, 2020.

G. Impairment of Assets:

The carrying values of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

H. Borrowing Costs:

Borrowing costs include interest and ancillary costs that the Company incurs in connection with the borrowings. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss.

I. Employee Benefits:

Retirement benefit in the form of provident fund, Gratuity fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund & Gratuity fund.

The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes, though the actuarial valuation has been done.

Until FY 2018-19, it had been recognised in the books as per Fund house statement (LIC). From current year, i.e FY 2019-2020, the Company is recognising the liability based on Independent actuarial valuation.

J. Segment Reporting:

The company is primarily engaged in the business of micro finance in India. All the activities of the company revolve around the main business. As such there are no separate business and geographic reportable segments as per AS – 17 “Segment Reporting” Hence segment reporting is not required.

K. Lease:

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments (Rents) under operating leases are recognized as an expense on a straight-line basis over the lease term.

L. Earnings Per Share:

Basic earnings per share is computed by dividing the profit after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax (including the post- tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

M. Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax is recognized on timings difference being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

Due to COVID-19, in view of the uncertainty of the profit for coming year and in the NPA Provision, the Deferred Tax Asset of Rs. 1,01,14,850.40 has been reckoned to Profit and Loss Account on a conservative basis, making a closing DTA of Rs.2,74,55,555.31 as on 31st March 2020.

N. Provisions and Contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes to the Financial Statements.

Particulars	Amt in Rs.	
	For the year ended 31.03.2020	For the year ended 31.03.2019
(a) Claims against the company not acknowledged as debt (Income Tax Assessment for AY 2017-18)	1,10,12,670	-
Income Tax Assessment for AY 2012-13	92,08,670	-
(b) Estimated amount of contracts remaining to be executed on capital account	-	-

O. Prior Period Items:

Prior period items to income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods.

There are no significant prior period items for the year.

P. Operating Cycle:

Based on the nature of its activities, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Note 20

Other Notes

a) CRAR

S.No.	Items	Current Year	Previous Year
i	CRAR (%)	19.66	18.42
ii	CRAR-Tier I capital (%)	19.25	18.02
iii	CRAR-Tier II capital (%)	0.41	0.40
iv	Yield on Advance(%)	19.14	19.06
v	Cost of Borrowings(%)	10.02	9.67

b) Exposures

i) Exposure to Real Estate Sector

Category			Current Year	Previous Year	
a)	(i)	Direct exposure	Nil	Nil	
		Residential Mortgages-	Nil	Nil	
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented ; (individual housing loans upto to Rs.15 lakhs may be shown separately)	Nil	Nil	
	(ii)	Commercial Real Estate -	Nil	Nil	
		Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits;	Nil	Nil	
	(iii)	Investment in Mortgage Backed Securities (MBS) and other securitised exposures –		Nil	Nil
		a.	Residential,	Nil	Nil
b.		Commercial Real Estate.	Nil	Nil	
b)	Indirect exposure				
	Fund based and non-based exposures on National Housing Bank (NHB) and Housing Finance companies (HFCs)		Nil	Nil	

d. Asset Liability Management.

Maturity pattern of certain items of assets and liabilities:

Rs. in lakh

Buckets	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									

Borrowings from bank

Current year	2,178.86	2,179.25	2,104.81	5,709.04	48,451.59	27,873.55	-	-	88,497.10
Previous year	1,657.10	1,532.07	1,579.63	4,867.15	45,571.20	19,306.45	-	-	74,513.60

Market borrowings

Current year	-	-	-	-	-	-	-	-	-
Previous year	-	-	-	-	-	-	-	-	-

Assets

Advances

Current year	7,438.73	5,272.49	5,180.56	14,565.93	24,445.77	51,499.67	-	-	1,08,403.10
Previous Year	5,694.60	4,821.96	4,769.31	13,541.40	23,123.50	38,766.80	-	-	90,717.60

Investments

Current year	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-

d) Other disclosures as per RBI Guidelines

	Liabilities	Amount Rs. In Lakhs		Amount Rs. In Lakhs	
(1)		Amount Outstanding		Amount overdue	
	Loans and advance availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
	(a) Debentures : Secured	Nil	[Nil]	NIL	[Nil]
	:Unsecured	Nil	[Nil]	NIL	[Nil]
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	Nil	[Nil]	Nil	[Nil]
	(c) Terms Loans	49628.09	(37869.18)	Nil	[Nil]
	(d) Inter - corporate loans and borrowing	Nil	[Nil]	Nil	[Nil]
	(e) Commercial paper	Nil	[Nil]	Nil	[Nil]
	(f) Other Loans (specify nature)				
	(SODL from Repco Bank Ltd)	38869.01	(36644.40)	Nil	[Nil]

	Asset	Rs. In lakh	
		Amount Outstanding	
(2)	Break - up of Loans and Advances including bills receivable		
	(other than those included in (4) below):		
	(a) Secured	Nil	Nil
	(b) Unsecured	108403.14	(90717.61)
	Please see Note 1 below		
(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	Nil	Nil
	(b) Operating lease	Nil	Nil
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	Nil	Nil
	(b) Repossessed Assets	Nil	Nil
	(iii) Other loans counting towards AFC activities	Nil	Nil

	(a) Loans where assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil
(4)	Break- up of Investments:	Nil	Nil

(5) Borrower group - wise classification of assets financed as in (2) and (3) above: please see Note 2 below

	Category	Amount net Provisions		
		Secured	Unsecured	Total
	1. Related parties	Nil	Nil	Nil
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) other related parties	Nil	Nil	Nil
	2. Other than related parties	Nil	Nil	Nil
	Total	Nil	Nil	Nil

(6) Investors group- wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): please see note 3 below

	Category	Market value/ Break up or fair value or NAC	Book value (Net of provisions)
	1. Related parties	NIL	NIL
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the same group	NIL	NIL
	(c) Other related parties	NIL	NIL
	2. Other than related parties	NIL	NIL
	Total	NIL	NIL

(7) Other information:

	Particulars	Amount (Rs. In lakhs)	
		2019-20	2018-19
(1)	Gross Non- Performing Assets	2068.40	789.91
	(a) Related Parties	NIL	NIL
	(b)Other than related parties	2068.40	789.91
(2)	Net Non - Performing Assets	NIL	NIL
	(a) Related Parties	NIL	NIL
	(b)Other than related parties	NIL	NIL
(3)	Assets acquired in satisfaction of debt	NIL	NIL

e) Related Party Disclosure:

Key Management personnel:

- (1) Smt. R S Isabella (Managing Director)
- (2) Shri. N. Balasubramanian (Whole-time Director)
- (3) Shri.V.Balasubramanian (CFO)
- (4) Smt.Lakshmi Raghupathy (CS)

Persons having significant influence:

- a. Repco Bank Limited
- b. Repco Home Finance Limited

(Amount in Lakh)

Nature of Transactions	Key Management Personnel		Persons having significant influence			
	Director		Repco Bank		Repco Home Finance Limited	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Share Capital						
Equity Shares	-	-	4720.00	4720.00	2200.00	2200.00
Balance in savings Bank account maintained with the promoter	-	-	-	2.32	-	-
Balance in SODL/Cash Credit account maintained with the promoter	-	-	38869.01	36644.40	-	-
Unsecured Loans availed from the promoter/ Balance outstanding	-	-	866.82	2003.71	-	-
Secured Loans availed from the promoter/ Balance outstanding	-	-	18823.42	8700.00	-	-
Remuneration*	-	-	-	-	-	-
Rent Reimbursement	-	-	16.23	17.24		
Remuneration to Managing Director	*2.46	*2.28	-	-	-	-
Remuneration to Whole Time Director	*26.93	*26.20	-	-	-	-
Remuneration to C.F.O.	9.37	8.46	-	-	-	-
Remuneration to C.S	8.63	2.79 [#]	-	-	-	-

Reimbursement of establishment cost	-	-	-	-	-	-
Interest Income received from the Repco Bank						
-Savings Bank	-	-		-	-	-
Interest paid to Repco Bank					-	-
- SODL	-	-	3725.76	3154.72	-	-
- Term Loans	-	-	3816.80	275.31	-	-

*Excluding GST # Remuneration w.e.f 03.12.2018.

The remuneration paid to Managing Director by Repco Bank has been re-imbursed by the company on pro-rata basis and the remuneration paid to the Whole Time Director by Repco Bank has been re-imbursed

f) Disclosure Pursuant to RBI Notification DNBR (PD) CC No.002/03.10.001/2014-15 dated November,2014.

A. Customer Complaints:

No of complaints pending as on 01.04.2019	1
No of complaints received during the year	4
No of complaints redressed during the year	2
No of complaints pending as on 31.03.2020	3

B. Details of Registration with Regulators:

S.No	Name of Registration Authority	Registration No
1	Reserve Bank of India	N-07-00780
2	Ministry of Company affairs	U74900TN2007PLC64126

C. Ratings assigned by Credit rating agencies:

Particulars	As at 31 March 2020	As at 31 March 2019
Commercial paper	NA	NA
Working Capital Facility (Cash Credit/WCDL) Short term facilities	CRISIL A3+	NA
Long-Term bank facilities	ICRA - 'BBB'	ICRA - 'BBB'
	CARE - 'BBB+'	CARE - 'BBB+'
Long-Term Non-Convertible Debentures	NA	NA

MFI Grading	NA	NA
	CARE - 'M2'	CARE – 'M2'
Subordinated Debt	NA	NA
Perpetual Debt	NA	NA

D. Provisions and Contingencies:

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year (In lakh)	Previous Year (in lakh)
Provisions for depreciation on Investment	-	-
Provision towards NPA	1147.27	213.77
Provision made towards Income tax	2052.84	1898.65
Other Provision and Contingencies (On account of COVID-19)	12.95	-
Provision for Standard Assets (includes provision on account of fraud)	79.19	81.57

E. Concentration of Advances, Exposures & NPA's:

Particulars	As at 31 March 2020	As at 31 March 2019
Total Advances and Exposures to twenty largest borrowers	Refer Note	Refer Note
Total Exposure to top four NPA accounts	Refer Note	Refer Note
Percentage of Advances and Exposures to twenty largest borrowers to Total Advances of the NBFC	Refer Note	Refer Note

The Company operates in the business of microfinance providing collateral free loans for fixed amounts ranging from Rs.40,000 to Rs.1,25,000 to women engaged in various income generating activities. As at 31 March 2020, the Company has provided loans to more than 3.98 lac women and hence, the disclosure relating to concentration to advances, exposures and NPA's are not applicable to the Company.

F. Sector-wise NPAs as on March 31, 2020

S. No	Sector	Percentage of NPAs to Total Advances in that sector as on 31-Mar-20	Percentage of NPAs to Total Advances in that sector as on 31-Mar-19
1	Agriculture & allied activities	0.13	0.05
2	Retail	0.60	0.27
3	Other loans	1.18	0.54
	Total	1.91%	0.86%

G. Movement of NPA:

Particulars	As at 31 March 2020 (Rs.In lakhs)	As at 31 March 2019 (Rs.In Lakhs)
(i) Net NPAs to Net Advances (%)	NIL	NIL
(ii) Movement of NPAs (Gross)		
(a) Opening balance	789.91	550.54
(b) Additions during the year (Net off reductions)	1278.10	239.37
(c) Closing balance	2068.01	789.91
(iii) Movement of Net NPAs		
(a) Opening balance	NIL	NIL
(b) Additions during the year	NIL	NIL
(c) Reductions during the year	NIL	NIL
(d) Closing balance	NIL	NIL
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance (excluding Housing loan)	907.17	700.84
(b) Provisions made during the year	1148.08	206.32
(c) Provision for NPA (a+b)	2055.26	907.16
Housing loan provision made(closing Balance)	19.10	19.91
(d) Closing Balance	2074.36	927.08

H. Earnings per Share:

Particulars	For the year ended 31/03/2020	For the year ended 31/03/2019
Profit after Tax - Rs. in Lakhs	5410.40	4552.73
Weighted Average Number of Equity Shares (Nos.)	6,92,00,000	6,44,87,671
Earnings Per Share		
Basic - in Rs.	7.82	7.06
Diluted - in Rs.	7.82	7.06
Face Value Per Share (Rs.)	10.00	10.00

I. Impact of COVID-19

The COVID-19 pandemic continues to spread across the globe and India, which has contributed to a significant decrease in the global and local economic activities. The Government of India had announced a series of lock-down measures on March 24, 2020 which had been extended and relaxed from time to time up to May 31, 2020. The Company's capital and liquidity position is strong.

In accordance with the COVID-19 regulatory Package announced by the RBI of March 27, 2020 and updated on April 17, 2020 and May 23, 2020 and the related RBI Guidelines with regard to providing relief to borrowers on account of COVID-19 pandemic whose accounts were standard as on February 29, 2020, the Company, in accordance with the Board approved policy had offered moratorium on repayment of loan instalments and/or deferment of interest due between March 1, 2020 and May 31, 2020, to all eligible borrowers, without considering the same as restructuring.

In accordance with the RBI Guidelines, the Company is required to make provision at 10% of outstanding advances spread over two quarters though classified as standard as on March 31, 2020. On 5% of eligible outstanding of moratorium granted accounts, a provision of Rs. 12.95 lakhs has been made for the quarter ending 31.03.2020 and is grouped under "other liabilities and provisions" in the Balance sheet of the Company, as per RBI Guidelines.

J. CSR Activities:

The gross amount required to be spent by the company during the year 2019-2020 as CSR expenditure under section 135 of the Companies Act of 2013 is Rs.90.52 lakh being 2% of the average profits after tax of past three financial years. The amount is required to be spent on qualifying activities as CSR expenditure as per Schedule VII of the Companies Act 2013.

During the financial year 2019-2020 the company has spent amount aggregating to Rs.90.52 lakh towards CSR activities:

- a) Gross amount required to be spent by the company during the year is Rs.90.52 lakhs.

Particulars	In cash (Rs)	Yet to be paid in cash(Rs)	Total (Rs.)
1. Construction or acquisition of any asset	-	-	-
2. Other purpose other than (1)	90,52,140	-	90,52,140
TOTAL	90,52,140	-	90,52,140

K. Commitments and Contingencies:

There are no Commitments and Contingencies as at 31-03-2020 for the company.

L. Statutory Reserve:

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the net profit after tax of the Company every year. Accordingly, the Company has transferred an amount of Rs.1,082.08 Lakhs (Previous Year – Rs. 910.55 Lakhs), out of the net profit after tax for the year ended 31 March 2020 to Statutory Reserve.

M. Rates of Income Tax

Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 (the “Ordinance”) issued on September 20, 2019, the Income Tax rates have been changed with effect from April 1, 2019. The Company has exercised the option permitted u/s 115BAA of The Income Tax Act, 1961 to compute Income tax at revised rate (i.e 25.168%), and, accordingly, has recorded the consequent adjustments including those arising from re-measurement of current and deferred taxes.

N. There is no Expenditure incurred in Foreign Currency

O. There is no amount to be reflected under payable to Investor Protection Fund.

P. Previous year’s figures have been regrouped and rearranged wherever necessary to conform to current year’s classification.

Q. Employee benefit -Actuary Valuation Report

Disclosure Tables Company: REPCO MICRO FINANCE LIMITED, Valuation Date: 31/3/2020 (Earlier Valuation considered: As on 31/3/2019)		
	12 Months	12 Months
	F.Yr. Ending	F.Yr. Ending
	31-Mar-2020	31-Mar-2019
Changes in the present value of obligation in the inter-valuation period	In Rupees	In Rupees
<i>Liability as at the beginning of the period</i>	7,000,051	5,524,231
<i>Add Interest Cost:</i>	523,887	524,805
<i>Add Current Service Cost:</i>	1,848,947	1,511,894
<i>Less Benefits Paid:</i>	(213,606)	(38,308)
<i>Add Past Service Cost</i>	0	0
<i>Add Settlement Cost</i>	0	0

Add Curtailment Cost	0	0
Actuarial gain / loss	124,967	(522,571)
Liability as at the end of the period	9,284,246	7,000,051
Changes in the Plan Assets in the inter-valuation Period	Not Applicable	Not Applicable
Value of Assets as at the beginning of the Period:	8,790,313	1,807,918
Add Adjustments to the Opening Balance:	0	0
Add Expected Return on Assets:	668,630	0
Add Contributions made:	0	0
Less Benefits Paid out of the Assets:	(213,606)	0
Actuarial gain / (loss) on Plan Assets:	(118,959)	36,651
Value of Assets as at the end of the period:	9,126,378	1,844,569

Recognition of Actuarial gain / loss as on accounting date	In Rupees	In Rupees
Actuarial gain/(loss) in inter-valuation Period: -- Obligation:	(124,967)	(4,519,484)
Actuarial (gain)/loss in inter-valuation Period: -- Plan Assets:	(118,959)	36,651
Actuarial gain/loss recognized in inter-valuation Period:	(243,926)	(4,482,833)
Unrecognized Actuarial Gain / Loss	0	0

The Amounts to be Recognized in the Balance Sheet	In Rupees	In Rupees
Present value of obligation on the accounting date:	(9,284,246)	(5,524,231)
Fair Value of Plan Assets on the accounting date:	9,126,378	1,844,569
Unrecognized Actuarial (gain) / loss	0	0
Net Asset / (liability) recognised in Balance Sheet	(157,868)	(3,679,662)
Unrecognized Liability	0	0

Expense to be recognized in P/L a/c	In Rupees	In Rupees
Interest Cost	523,887	0
Current Service Cost	1,848,947	1,004,747
Past Service Cost	0	0
Curtailment Cost (Credit)	0	0
Settlement Cost (Credit)	0	0
Expected Return on Plan Assets	(668,630)	0
Net actuarial (gain)/loss recognized	243,926	4,482,833
Expense to be recognized in P/L a/c	1,948,130	5,487,580

Reconciliation	In Rupees	In Rupees
<i>Net Liability as at the beginning of the accounting period:</i>	(1,790,262)	(1,807,918)
<i>Expenses recognized in P/L a/c</i>	1,948,130	5,487,580
<i>less Adjustments to last valuation Closing Balance:</i>	0	0
<i>less Benefits paid directly by the Company</i>	0	0
<i>less Contributions made to the fund</i>	0	0
<i>Liability recognized in the Balance Sheet as on the accounting date:</i>	157,868	3,679,662

Actual Return on Plan Assets	Not Applicable	Not Applicable
<i>Expected return on Plan Assets</i>	668,630	0
<i>Actuarial gain (loss) on Plan Assets</i>	(118,959)	36,651
<i>Actual return on Plan Assets</i>	549,671	36,651

Category of Plan Assets	Not Applicable	Not Applicable
<i>Government of India Securities</i>	0%	0%
<i>High quality corporate bonds</i>	0%	0%
<i>Equity shares of listed companies</i>	0%	0%
<i>Property</i>	0%	0%
<i>With Insurance Company</i>	100%	100%
<i>Bank Balance</i>	0%	0%
<i>Others</i>	0%	0%

Principal Actuarial Assumptions	31-Mar-2019	31-Mar-2018
<i>Interest (Discount) Rate (Liabilities)</i>	6.63%	7.71%
<i>Interest Rate (Rate of Return on Assets)</i>	7.70%	0.00%
<i>Salary escalation Rate (per annum)</i>	5.00%	0.00%
<i>Resignations Rate (per annum)</i>	5.00%	0.00%
<i>Mortality</i>	Ind. (2006-8)	Ind. (2006-8)

Experience Related Adjustments	In Rupees	In Rupees
<i>Liability Side</i>	(124,967)	(4,519,484)
<i>Asset Side</i>	(118,959)	36,651
Compliance with Schedule III of Companies Act 2013	In Rupees	In Rupees
<i>Value of Current Year Obligation:</i>	505,284	286,457
<i>Present Value of Non-current Year Obligation:</i>	8,778,962	5,524,231
<i>Expected Additions to the Asset in the Current Year:</i>	0	0
<i>Net Current Year Obligation:</i>	(505,284)	(286,457)

Accrued Earned Leave Liability

Disclosure Tables

Valuation Date: 31/3/2020

(Earlier Valuation considered: As on 31/3/2019)

Changes in the present value of obligation in the inter-valuation period	12 Months F.Yr. Ending 31-Mar-20 In Rupees	12 Months F.Yr. Ending 31-Mar-19 In Rupees
<i>Liability as at the beginning of the period</i>	29,96,541	23,04,385
<i>Add Interest Cost:</i>	2,27,737	1,76,505
<i>Add Current Service Cost:</i>	1,51,253	7,31,713
<i>Less Benefits Paid:</i>	0	-30,160
<i>Add Past Service Cost</i>	0	0
<i>Add Settlement Cost</i>	0	0
<i>Add Curtailment Cost</i>	0	0
<i>Actuarial (gain) loss</i>	-91,299	-1,85,902
<i>Liability as at the end of the period</i>	32,84,232	29,96,541

Changes in the Plan Assets in the inter-valuation Period	Not Applicable	Not Applicable

Recognition of Actuarial gain / loss as on accounting date	In Rupees	In Rupees
<i>Actuarial gain/(loss) in inter-valuation Period: -- Obligation:</i>	91,299	1,85,902
<i>Actuarial (gain)/loss in inter-valuation Period: -- Plan Assets:</i>	-	-
<i>Actuarial gain/loss recognized in inter-valuation Period:</i>	91,299	1,85,902
<i>Unrecognized Actuarial Gain / Loss</i>	-	-

The Amounts to be Recognized in the Balance Sheet	In Rupees	In Rupees
<i>Present value of obligation on the accounting date:</i>	-32,84,232	-29,96,541
<i>Fair Value of Plan Assets on the accounting date:</i>	0	0

<i>Unrecognized Actuarial (gain) loss</i>	0	0
<i>Net Asset / (liability) recognised in Balance Sheet</i>	-32,84,232	-29,96,541
<i>Funded Status</i>	-32,84,232	-29,96,541
<i>Unrecognized Liability</i>	0	0

Expense to be recognized in P&L A/c	In Rupees	In Rupees
<i>Interest Cost</i>	2,27,737	1,76,505
<i>Current Service Cost</i>	1,51,253	7,31,713
<i>Past Service Cost</i>	0	0
<i>Curtailment Cost (Credit)</i>	0	0
<i>Settlement Cost (Credit)</i>	0	0
<i>Expected Return on Plan Assets</i>	0	0
<i>Net actuarial (gain)/loss recognized</i>	-91,299	-1,85,902
<i>Expense to be recognized in P/L a/c</i>	2,87,691	7,22,316

Reconciliation	In Rupees	In Rupees
<i>Net Liability as at the beginning of the accounting period:</i>	29,96,541	23,04,385
<i>Expenses recognized in P/L a/c</i>	2,87,691	7,22,316
<i>less Adjustments to last valuation Closing Balance:</i>	0	0
<i>less Benefits paid directly by the Company</i>	0	-30,160
<i>less Contributions made to the fund</i>	0	0
<i>Liability recognized in the Balance Sheet as on the accounting date:</i>	32,84,232	29,96,541

Actual Return on Plan Assets	Not Applicable	Not Applicable
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Principal Actuarial Assumptions		
<i>Interest (Discount) Rate (Liabilities)</i>	6.63%	7.60%
<i>Interest Rate (Rate of Return on Assets)</i>	7.70%	0.00%
<i>Salary escalation Rate (per annum)</i>	5.00%	5.00%

<i>Resignations Rate (per annum)</i>	5.00%	5.00%
<i>Mortality</i>	Ind. (2006-8)	Ind. (2006-8)

Experience Related Adjustments	In Rupees	In Rupees
Liability Side	91,299	1,85,902
Asset Side	0	0

Compliance with Schedule III of Companies Act 2013	In Rupees	In Rupees
<i>Value of Current Year Obligation:</i>	2,50,837	2,09,490
<i>Present Value of Non-current Year Obligation:</i>	30,33,395	27,87,051
<i>Expected Additions to the Asset in the Current Year:</i>	0	0
<i>Net Current Year Obligation:</i>	-2,50,837	-2,09,490

For P B Vijayaraghavan & Co.,
Chartered Accountants
Firm Regn No:004721S

P.B.SANTHAKRISHNAN
Partner
Membership No: 020309

N.Balasubramanian
Director
DIN No:07832970

R.S.Isabella
Managing Director
DIN No:06871120

Place: Chennai
Date: 14.07.2020

V.Balasubramanian
Chief Financial Officer
Membership No:029407

Lakshmi Raghupathy
Company Secretary
Membership No:38072

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that 13th Annual General Meeting of Repco Micro Finance Limited will be held on Friday, the 23rd October, 2020 at 11.00 A.M at Corporate Office at No. 634, 2nd 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 31st March, 2020, 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, 2020.
3. To appoint a director in place of Shri. P. Mahalingam, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Re-appointment of Shri. N. Balasubramanian as Whole-Time Director of the Company. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“The Act”) and Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable provisions as may be necessary, consent of the members of the Company be and is hereby accorded to the re-appointment of Shr. N. Balasubramanian (DIN: 07832970) as Whole-Time Director of the company for a period of three years w.e.f May 29, 2020 on a remuneration not exceeding Rs.2,10,000/- (Rupees Two Lakh Ten thousand only) per month which will be paid to Repco Bank, parent organization, as reimbursement. The Company shall also reimburse the travelling expenses on actual and other expenses incurred for the business of the Company and pay half-yearly incentive as decided;

RESOLVED FURTHER THAT Smt. R.S. Isabella, Managing Director of the Company or Smt. Lakshmi Raghupathy, Company Secretary of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution”

5. **Appointment of Shri. S. Nagoor Ali Jinnah as Independent Director of the Company.**

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

“RESOLVED THAT pursuant to Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (Act) and the Companies (Appointment and qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Shri. S. Nagoor Ali Jinnah (DIN: 05238633) who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director for a period of three years with effect from September 29, 2020, not liable to retire by rotation and shall be entitled sitting fee for attending board meeting and committee meeting as decided by the board of directors of the company from time to time;

RESOLVED FURTHER THAT Shri. N.Balasubramanian, Whole Time Director of the Company or Smt. Lakshmi Raghupathy be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution”

6. Appointment of Shri. Ramachandran Balachandran as Independent Director of the Company.

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

“RESOLVED THAT pursuant to Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (Act) and the Companies (Appointment and qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Shri. Ramachandran Balachandran (DIN:01648200) who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed as an Independent Director for a period of three years with effect from September 29, 2020, not liable to retire by rotation and shall be entitled sitting fee for attending board meeting and committee meeting as decided by the board of directors of the company from time;

RESOLVED FURTHER THAT Shri. N.Balasubramanian, Whole Time Director of the Company or Smt. Lakshmi Raghupathy be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution”

By order of the Board,

For Repco Micro Finance Limited

Date: 01.10.2020
Place: Chennai.

Lakshmi Raghupathy
Company Secretary

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 under Item No. 4, 5 & 6 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 on Sep 29, 2020.
- 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.

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

Item No. 4

Brief Profile of Shri. N. Balasubramanian:

Shri. N. Balasubramanian, aged 55, is General Manager of Repco Bank and deputed as Whole-Time Director of Repco Micro Finance Limited and Project Director of Repco Foundation for Micro Credit. He is having close to 3 decades of rich experience in banking with various capabilities. Studied B.Com and Master of Labour Management, in Madurai Kamaraj University. Additionally, studied Diploma courses in Labour Law & Administrative Law & PG Diploma in Personnel Management. He is also holding a professional degree of CAIIB. After serving for 5 years in M/S.Tea Estates of India Ltd, Valparai Coimbatore District (Subsidiary of Hindustan Lever Ltd) and 1 year in Ministry of Finance, North Block, New Delhi joined REPCO Bank during 1992 and working since then. He had served the bank in different branches in Tamilnadu and Pondicherry in different positions. He has monitored and headed the Credit Department as General Manager. He was active Member of Credit, Investment, & Pension committees in Repco Bank.

The board of directors at its meeting held on May 29, 2020 re-appointed Shri. N. Balasubramanian as Whole-Time Director of the company with effect from May 29, 2020 for a period of three years on the basis of recommendation of Nomination and Remuneration Committee and subject to the approval of the shareholders. He is also a director on the board of Repco Foundation for Micro Credit.

A broad particular of the terms of appointment of and remuneration payable to Shri. N. Balasubramanian is as under:

- a. The Whole-Time Director shall exercise and perform such powers and duties as the Board of Directors of the Company (hereinafter called “the Board”) shall from time to time determine and do and perform all other acts and things, which in the ordinary course of business he may consider necessary or proper or in the interest of the Company.
- b. The Whole-Time Director shall act in accordance with the Articles of Association of the Company and shall abide the provision contained in section 166 of the Act with regard to duties of Directors.
- c. Period: 3 years with liberty to either party to terminate the appointment in writing to the other.
- d. Remuneration: Not exceeding Rs.2,10,000/- (Rupees Two Lakh Ten Thousand only) per month as reimbursement and half-yearly incentive which will be decided and paid. The Company shall also reimburse the travelling expenses on actual and other expenses incurred for the business of the Company.
- e. The entire remuneration shall be paid to Repco Bank directly either on monthly or quarterly basis as reimbursement. Half-yearly performance incentive, which includes exgratia etc.will be paid to him directly.
- f. The Whole-Time Director shall execute deed of covenants in the format prescribed by the Reserve Bank of India. The Whole-Time Director shall also give declaration from time to time as prescribed under various laws.
- g. The Whole-Time Director shall adhere to the Company’s Code of Conduct and apply the highest standards of confidential and shall not disclose to any person or company any confidential information of the company.

The board therefore recommends the resolution for your approval. Except Shri. N. Balasubramanian, none of the directors and Key Managerial Personnel of the Company and their relatives are concerned in the said resolution

Item No. 5.

Brief Profile of Shri. S. Nagoor Ali Jinnah:

Shri. S. Nagoor Ali Jinnah, aged 62, is

- A career NABARDian with 37 years of experience in development banking, institutional development and rural banking supervision.
- Retired as Chief General Manager, National Bank for Agriculture and Rural Development as in/charge of Tamil Nadu and Puducherry States.
- Currently on the Board of Catholic Syrian Bank, a private commercial bank
- Recently completed a two-year term in August 2020 as Financial Consultant, Secretariat, Govt. of Tamil Nadu, Finance Department
- Headed the Departments of State Projects & Infrastructure Funding, Storage and Marketing, NABARD, Head Office, Mumbai with annual financial assistance of about Rs 1,26,700 crores.
- Served as the Chief General Manager, Karnataka and also served in Senior Executive positions in the States of undivided Andhra Pradesh, Odissa and Kerala.
- Was General Manager 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
- During stint in policy making in NABARD, HO, Mumbai, contributed significantly to NRM based livelihood projects viz., participatory watershed projects, wadi based tribal development and climate change projects.
- Played a key role in conceiving and implementing bilateral projects : (a) Swiss Development Co-operation on revamping of RRBs, and (b) KfW-GIZ Indo-German Co-operation on Umbrella Programme on Natural Resources Management (UPNRM).
- Played a key role in the improving systems of purveyance of Rural Infrastructure Development Fund which has cumulative commitment of Rs 3.86 lakh crores since

its inception. Had a significant role in the conceptualization and operationalisation of Warehousing Infrastructure Fund and Special Fund for Food Processing. Besides, contributed fully to the development and operationalisation of Long Term Irrigation Fund.

- Have about six years of Board level experience in RRB, Tamil Nadu State Co-operative Bank, Karnataka State Cooperative Agriculture & Rural Development Bank and NABARD Financial Services Ltd. - a NBFC-mFI of NABARD and NABKISAN & NABSAMRUDDHI Financial subsidiaries of NABARD as Director. Besides, headed the operations of NABCONS, a wholly owned subsidiary of NABARD at Tamil Nadu & Puducherry.
- Had official international assignments / exposure in U.K., U.S.A., Germany, Israel, Zimbabwe, Pakistan and Philippines and undertaken consulting assignments for IFAD and SAARC Fund.

The Board of Directors of the Company approved the appointment of Shri. S. Nagoor Ali Jinnah having Director Identification Number 05238633 as an Additional Director of the Company with effect from September 29, 2020. As per Articles of Association of the Company and subject to the provisions of the Companies Act, 2013, he continues to hold office as an Additional Director of the Company until the conclusion of the ensuing Annual General Meeting.

The NRC at its Meeting held on September 29, 2020 had determined that he is a fit and proper person to be appointed as a Director of the Company, as per the norms prescribed by the Reserve Bank of India (“RBI”). Necessary declaration as required under the provisions of Companies Act, 2013 9(6) of the Act was obtained.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 5 of the Notice for the appointment of Shri. S. Nagoor Ali Jinnah as Independent Director, not liable to retire by rotation.

Except Shri. S. Nagoor Ali Jinnah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.5

Shri. S. Nagoor Ali Jinnah 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.

Item No. 6.

Brief Profile of Shri. Ramachandran Balachandran:

Shri. Ramachandran Balachandran, aged 59 is a

- Practising Chartered Accountant for past 33 years
- Has been Statutory Auditor of SIRC of ICAI, Internal Auditor of TASMC LTD, TTDC and TANCEN Limited
- Been active in arbitration matters. Guided parties mutually beneficial settlements to avoid court battles. Mediated numerous disputes out of courtroom settings
- Has been adjudged and given certificate of appreciation by TASMC Ltd. For implementing best Internal Control System
- Been Statutory, concurrent, revenue and stock auditors for many nationalized and private banks
- Has represented as counsel for clients before Commissioner of Income Tax (Appeals) and Tribunal
- Has represented as counsel before Registrar of Companies on behalf of Companies
- An Insolvency professional of IBBI
- Appointed as Official Liquidator in the matter of Scheme of Amalgamation of
 - o M/s Sowbarniha Resorts Private Limited with M/s Lakshmi Technology and Engineering Industries Limited.
 - o M/s Cyberneme Private Limited with M/s Odyssey Technologies Limited
- Holds Membership in the following ADR Institutes:
 - Life Member of Indian Council of Arbitration, New Delhi.
 - Life Member of Indian Institute Arbitration and Mediation, Cochin
 - Member of SICCI -KFCRI Foundation for Arbitration, Chennai
 - Member of M/s.Nani Palkivala Arbitration Centre, Chennai

The Board of Directors of the Company approved the appointment of Shri. Ramachandran Balachandran having Director Identification Number 01648200 as an Additional Director of the Company with effect from September 29, 2020. As per Articles of Association of the Company and subject to the provisions of the Companies Act, 2013, he continues to hold office as an Additional Director of the Company until the conclusion of the ensuing Annual General Meeting.

The NRC at its Meeting held on September 29, 2020 had determined that he is a fit and proper person to be appointed as a Director of the Company, as per the norms prescribed by the Reserve Bank of India ("RBI"). Necessary declaration as required under the provisions of Companies Act, 2013 9(6) of the Act was obtained.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 6 of the Notice for the appointment of Shri. Ramachandran Balachandran as Independent Director, not liable to retire by rotation.

Except Shri. Balachandran Ramachandran, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

Shri. Shri. Ramachandran Balachandran 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.

By order of the Board
For Repco Micro Finance Limited

Date: 01.10.2020

Place: Chennai

Lakshmi Raghupathy

Company Secretary

REPCO MICRO FINANCE LIMITED

CIN - U74900TN2007PLC064126

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

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

ATTENDANCE SLIP: 13th ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the 13th Annual General Meeting of the Company held on Friday, the 23rd October, 2020 at 11.00 A.M, at Corporate Office: No 634, 2nd 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]

THIRTEENTH 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 Thirteenth Annual General Meeting of the Company, to be held on Friday, October 23, 2020 at 11.00 A.M. at No. 634, 2nd Floor Karumuttu Centre, Anna Salai, Chennai and any adjournment thereof in respect of such resolutions as are indicated below:

Resolu- tion No.	Description of Resolution		
Ordinary Business		For	Against
1	To receive, consider and adopt the Audited Financial Statement of the company for the Financial Year ended 31st March, 2020, the Reports of Directors and Auditor's thereon.		
2	To declare dividend on Equity Shares for the FY 2019-20		
3	To appoint a Director in the place of Shri. P. Mahalingam, who retires by rotation and eligible, offer himself for re-appointment.		
4	To re-appoint Shri N. Balasubramanian as Whole-Time Director		
5	To appoint Shri. S. Nagoor Ali Jinnah as Independent Director		
6	To appoint Shri. S. Ramachandran Balachandran as Independent Director		

Signed this..... Day of, 2020

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 13th Annual General Meeting of the Company

AGM Venue:

REPCO MICRO FINANCE LIMITED,
CORPORATE OFFICE,
No. 634, 2nd Floor,
Karumuttu Centre, Anna Salai,
Nandanam, Chennai-600035



LIST OF BRANCHES as on 31-03-2020

S. No.	Branch Name	S. No.	Branch Name	S. No.	Branch Name
1	ADAYAR	31	MAYILADUTHURAI	61	SATHANKULAM
2	ARANTHANGI	32	MELUR	62	SEMBANAR KOIL
3	ARIYALUR	33	METTUPALAYAM	63	SIRKALI
4	ATTUR	34	MUSIRI	64	SIVAGANGAI
5	AVADI	35	NAGAPATTINAM	65	T.NAGAR
6	CHENGALPATTU	36	NAGERCOIL	66	TAMBARAM
7	COIMBATORE	37	NAMAKKAL	67	TANJORE
8	COONOR	38	NATHAM	68	TENKASI
9	CUDDALORE	39	OOTY	69	THENI
10	DEVAKOTTAI	40	PADI	70	THIRUPPUR
11	DHARAPURAM	41	PALANI	71	THIRUVALLUR
12	DHARMAPURI	42	PALLAVARAM	72	THIRUVANNAMALAI
13	DINDIGUL	43	PANDHALUR	73	THIRUVOTTIYUR
14	ENNORE	44	PATTUKOTTAI	74	THOOTHUKUDI
15	ERODE	45	PERAMBALUR	75	THUDIYALUR
16	GOBICHETTIPALAYAM	46	PERUNGUDI	76	THURAIYUR
17	GUDULAR	47	POLLACHI	77	TINDIVANAM
18	HOSUR	48	POONTHOTTAM	78	TIRUCHENGODE
19	KANCHEEPURAM	49	PORUR	79	TIRUKKOVILUR
20	KARAIKUDI	50	PUDUCHERRY	80	TIRUNELVELI
21	KARUR	51	PUDUKKOTTAI	81	TIRUVARUR
22	KOTAGIRI	52	PURASAIWAKKAM	82	TONDIARPET
23	KOVILPATTI	53	PUZHAL	83	TRICHY
24	KRISHNAGIRI	54	RAJAPALAYAM	84	VADIPATTI
25	KUMBAKONAM	55	RAMANATHAPURAM	85	VALLIOOR
26	MADHUKUR	56	RASIPURAM	86	VALPARAI
27	MADURAI	57	RED HILLS	87	VELLORE
28	MANAPPARI	58	ROYAPURAM	88	VILLUPURAM
29	MANNALI	59	SALEM	89	VIRADHUNAGAR
30	MANNARGUDI	60	SAMAYAPURAM	90	VYASARPADI

REPCO MICRO FINANCE LIMITED

RO : #33, Repco Towers, North Usman Road, T.Nagar, Chennai, Tamil Nadu - 600017.

CO : #634, 2nd Floor, Karumuthu Centre, Anna Salai, Nandanam, Chennai, Tamil Nadu - 600035