



14th

ANNUAL REPORT

2020 - 2021

REPCO MICRO FINANCE LIMITED

(Promoted by Repco Bank)



14th
ANNUAL REPORT
FY 2020-2021

CONTENTS

	Page No.
CORPORATE INFORMATION	3
VISION & MISSION	5
CORPORATE SOCIAL RESPONSIBILITY INITIATIVES	6
BOARD OF DIRECTORS - 2021	8
MANAGEMENT DISCUSSION AND ANALYSIS	12
DIRECTORS' REPORT TO THE MEMBERS	19
INDEPENDENT AUDITOR'S REPORT	57
BALANCE SHEET AS AT 31 ST MARCH 2021	66
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 ST MARCH, 2021	67
NOTICE OF ANNUAL GENERAL MEETING	101
ATTENDANCE SLIP	109
PROXY FORM	110
LIST OF BRANCHES AS ON 31-03-2021	113

CORPORATE INFORMATION

	Smt. R.S. Isabella	Managing Director
	Shri. S. Nagoor Ali Jinnah	Independent Director
	Shri. V. Dasaraty	Independent Director
Board of Directors	Shri. Ramachandran Balachandran	Independent Director
	Shri. P. Mahalingam	Director
	Shri. Yashpal Gupta	Nominee Director
	Shri. A.G. Venkatachalam	Whole-time Director
<hr/>		
Registered office	"REPCO TOWER" 33, North Usman Road, T. Nagar, Chennai – 600 017. Telephone : 044 2834 0715	
<hr/>		
Corporate Office	Second Floor - North wing, Karumuttu Centre, New No. 634, Anna Salai, Nandanam, Chennai-600 035. Telephone : 044 2431 0212 Email : cs@repcomicrofin.co.in Website : https://www.repcomicrofin.co.in CIN : U74900TN2007PLC064126	
<hr/>		
Chief Technology Officer	Shri. S. Shenbagaraj	
<hr/>		
Chief Financial Officer	Shri. P. Senthil Kumar	
<hr/>		
Company Secretary	Shri. S Yoganandhan	
<hr/>		
Management Team	Shri. R. Easwaran – Asst. General Manager Shri. S. Vimal – Asst. General Manager Shri. P. K. B. Balamurugan – Asst. General Manager	
<hr/>		
Statutory Auditor (upto the conclusion of this AGM)	M/s. P.B. Vijayaraghavan & Co., Chartered Accountants, 14, Cathedral Garden Road, Nungambakkam, Chennai – 600 034	
<hr/>		

Secretarial Auditor	<p>Shri. Amit Rati Practicing Company Secretary, 61/4, Outer Circular Road, Kilpauk, Chennai – 600 010</p>
Internal Auditor	<p>M/s. Chaturvedi & Co., Chartered Accountants, 7th floor, KRD Gee Gee Krystal, 89-92, Dr. Radhakrishnan Salai, Mylapore Chennai, Tamil Nadu 600004</p>
Registrar & Transfer Agent	<p>M/s. Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai – 600 002</p>
Bankers	<p>Bank of Baroda Bank of India Canara Bank Dhanalakshmi Bank HDFC Bank Indian Bank Karur Vysya Bank Repc Bank State Bank of India Tamilnad Mercantile Bank Union Bank of India</p> <p>NABARD SIDBI</p>
Regulator	<p>Reserve Bank of India, Department of Non-banking Supervision, Chennai – 600 001.</p>
Self-Regulatory Organization (SRO)	<p>Sa-Dhan, A1 – 248, 3rd Floor, Safdarjung Enclave, New Delhi – 110 029.</p>
Credit Information Companies (CIC)	<p>CRIF High Mark Equifax CIBIL Experian</p>

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



Distribution of Nivar Cyclone relief materials under CSR - Tamabaram Branch



Distribution of Nivar Cyclone relief materials under CSR - Cuddalore Branch



Distribution of Nivar Cyclone relief materials under CSR - Puducherry Branch



Distribution of Mask under CSR- Tondiarpet Branch

BOARD OF DIRECTORS - 2021



Smt. R.S. Isabella
Managing Director



Shri. S. Nagoor Ali Jinnah
Independent Director



Shri. V. Dasaraty
Independent Director



**Shri. Ramachandran
Balachandran**
Independent Director



Shri. P. Mahalingam
Director



Shri. Yashpal Gupta
Nominee Director



Shri. A.G. Venkatachalam
Whole Time Director

MANAGING DIRECTOR'S MESSAGE



Dear Stakeholder,

It is my pleasure to share the performance of our Company during the financial year 2020-21.

The year passed with unprecedented events with the outcome of pandemic through COVID-19 virus and its repercussions which took a toll on the livelihood of individuals and industries across the globe. The pandemic has wreaked havoc slowing down the economic growth and severely impacting lives and livelihoods.

There was a major setback to all lenders including Micro Finance Institutions which witnessed significant challenges in recovery of loan dues due to impact on income generation ability as well as logistic issues. The Regulators and the Government announced several relief packages to help the lenders like blanket moratorium and restructuring of loans which was implemented in our Company too.

During the FY 2020-21, the Company met all its obligations towards borrowings and despite shut down of business operations for few months due to lockdown restrictions, the Company could exhibit sustained growth.

In the challenging environment, the Company adopted a strategy of cautious approach in loan disbursements throughout the year and focused more on surveillance of loan portfolio and collections.

We closed the year with loan outstanding of Rs.865 crore, revenue of Rs.176.45 crore, PAT of Rs.40.49 crore and a significantly better OPEX at 3.90%, ROA of 4.00% and ROE of 16.58% for the year. Remarkably, the Capital Adequacy Ratio of the company as at end of fiscal stood at 26.78%, highest ever. As regards profitability growth and delinquency in loan portfolio, the company has shown better performance compared to the industry average. The collection efficiency revolved around 90% during the post-COVID moratorium period and shown significant rebound after resumption of lockdown restrictions.

The Company serves more than 3.5 lakh customers through a network of 93 branches manned by 606 employees. RMFL is one among the largest MFI in the country and ranks amongst the top 20 NBFC-MFI institutions in terms of Gross Loan Portfolio and major contributor towards the objective of financial inclusion.

I wish to thank all our customers for their valuable business relationship and our employees for their relentless hard work throughout the year, despite the pandemic situation. I also express my gratitude to our Promoter, Repco bank and shareholder, Repco Home Finance for the continuous support and our lenders for their sustained backing. My sincere thanks to our esteemed Board of Directors who actively contributed and guided us and Reserve Bank of India for their progressive policies towards the development of the Sector. I also accord my thanks to Sa-Dhan for providing proactive support during these COVID times, all our partners/vendors/associates for their association and the Central and State Governments for providing a conducive environment for our business.

I look forward to a progressive year in 2021-22 with your support and encouragement.

R.S. Isabella
Managing Director

PERFORMANCE HIGHLIGHTS

PERFORMANCE HIGHLIGHTS

FY 2020 - 2021



354388

Customer
Strength



93

Total Branches

(Tamilnadu & UT of Puducherry)



38

Districts

865.02 Cr



Gross Loan
Portfolio



40.49 Cr

Net Profit

PERFORMANCE HIGHLIGHTS FY 2020 - 2021

244.10 Cr 
Network

 **26.78%**
Capital Adequacy
Ratio

412.30 Cr 
Loan
Sanctions

 **407.78 Cr**
Disbursement

3.90% 
Opex

MANAGEMENT DISCUSSION AND ANALYSIS

Industry outlook:

The Industry caters to around 5 crore beneficiaries' with more than 10 crore active loan accounts under the banner of Micro Finance with more than 200 institutions involved in serving with different constitution like Scheduled Commercial Banks, NBFC - Micro Finance Institutions (NBFC-MFI), Small Finance Banks, Non-Banking Financial Institutions (NBFCs), Non-profit MFIs, etc.

The Total Asset under Management (AUM) of the Industry as at fiscal ending March'2021 stood at Rs. 2.48 lakh crore with predominant borrowings from rural clientele making two-third of the loan portfolio. The share of Schedule Commercial Banks leads with more than 40% followed by NBFC-MFI with above 30%.

Micro Finance as a sector consistently contributes to the country's objective of Financial Inclusion. Being Income generation were major share in the purpose of the loan, the catering of the sector towards economic growth is un-doubtful. As per a report, the SHG-Bank Linkage has crossed the One Crore group mark last year and is an important milestone towards the financial inclusion.

Various measures announced by the Regulator had offset the negative impact in financial sector. Moratorium from the repayment initially for the three month period starting March'2020 was extended for another three months from June to August'2021. Partial Credit Guarantee, Long term & Targeted Long term Repo operations and other special liquidity schemes in general and specific with focus on certain sectors in financial services also supported the Micro finance.

Unprecedented Pandemic of the century spoiled the momentum of the Micro Finance Industry and affected the quality of the loan portfolio to the significant extent and resulted in higher impairment.

Company outlook:

RMFL operates predominantly in the state of Tamil Nadu being leading in Active loans and second in Portfolio Outstanding with 95 lender operating in the Industry as at end of March'2021. Company serves more than 3.5 lakh beneficiaries with loan outstanding of Rs. 865 crore across its 93 branches having its presence in 38 districts.

Company has opened 3 new branches during the fiscal and constraints faced due to outbreak of pandemic restricts geographical diversification within and outside the primary state. Company took very conservative approach in fresh disbursements during the first half of the FY 2020-21, as the post lockdown effects was uncertain and resumption of normalcy took its time.

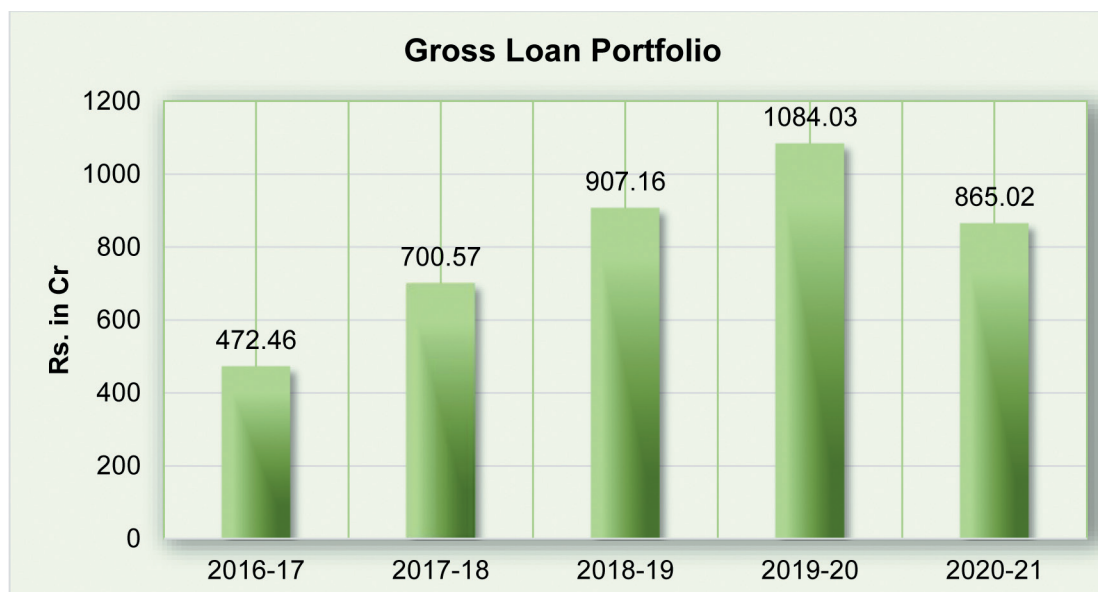
The complete lockdown during initial period of the fiscal followed by partial and gradual relaxation resulted in negative growth of loan portfolio and consequently had its impact on the Financials of the company. The Portfolio at Risk (PAR) shown increasing trend after the end of moratorium period and delinquency stood at new highs on account of economic damages consequent to COVID and Lockdown.

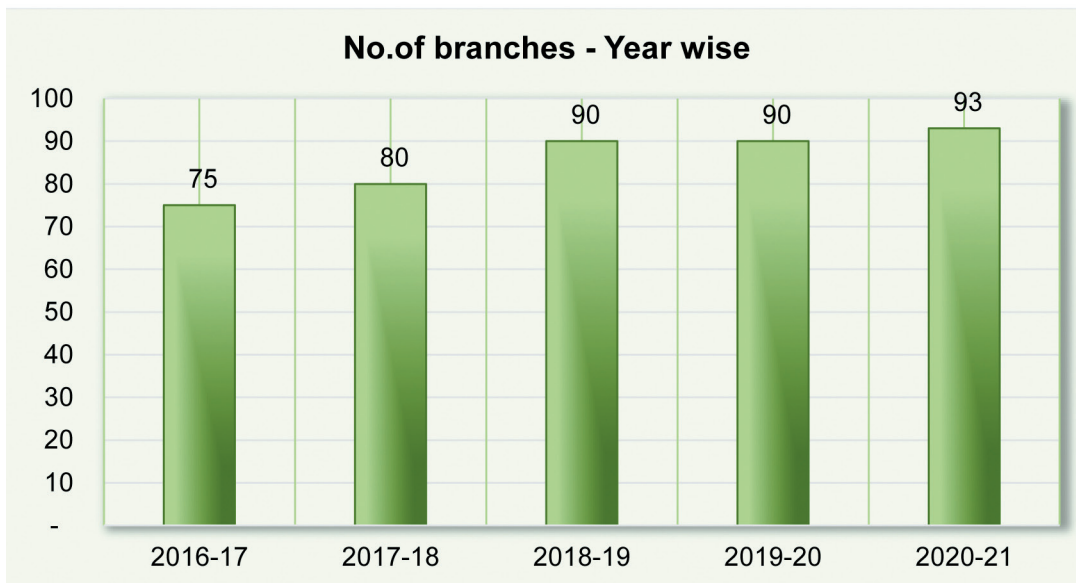
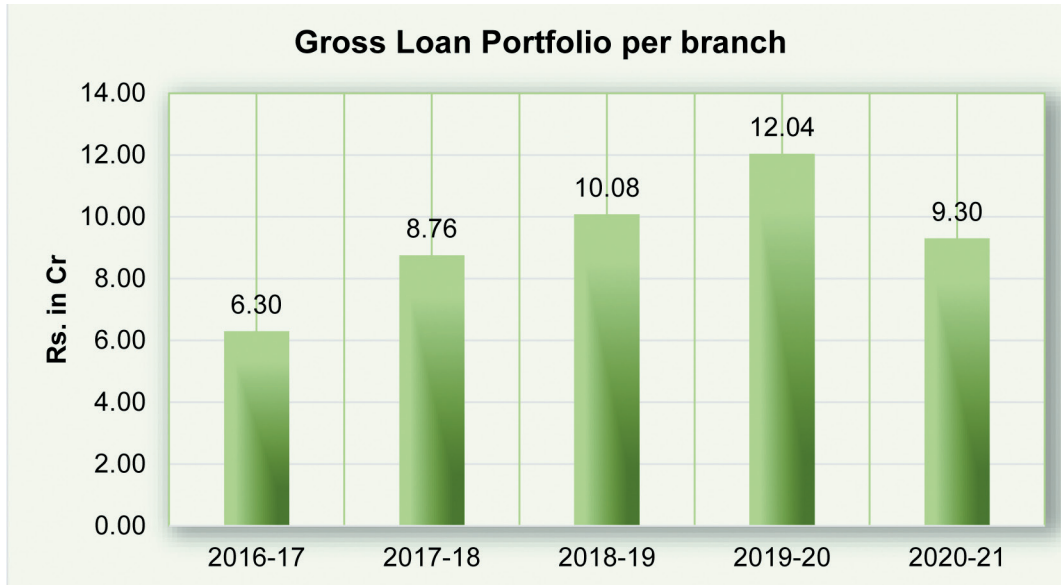
The collection efficiency shown significant improvement month on month and averaged ~90% during the fiscal excluding the moratorium period. RMFL has availed Refinance facility from SIDBI and NABARD for the first time besides other loan sanctions amid the pandemic situation and persisting risk aversion among the lenders during the period.

The opportunities for the company is vast as it serves with the mission of ‘Up scaling under privileged through financial inclusion’. Our economy being developing in nature and mostly revolves around the unorganized sector, the financial inclusion agenda has huge potential and in turn for the company. RMFL in the past had converted every challenge into opportunity and grown through the leaps and bounds to achieve the established milestones. Likewise, the present and future challenges will also be tapped to grow its business and financial parameters despite of constraints and hurdles on its way.

Operational Metrics

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





Analysis of Financial Performance

Financial results

Your Company's Operating profit during the FY 2020-21 was at Rs.54.41 Cr against Rs. 73.62 Cr in the FY 2019-20. Net Profit in the FY 2020-21 stood at Rs. 40.49 Cr against Rs. 54.10 Cr in the FY 2019-20.

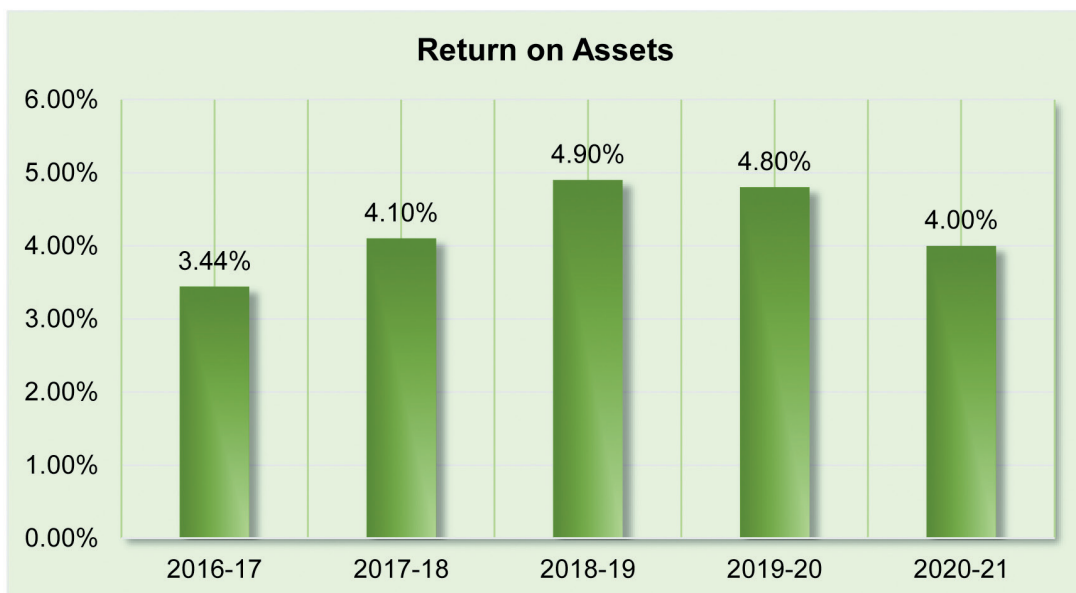
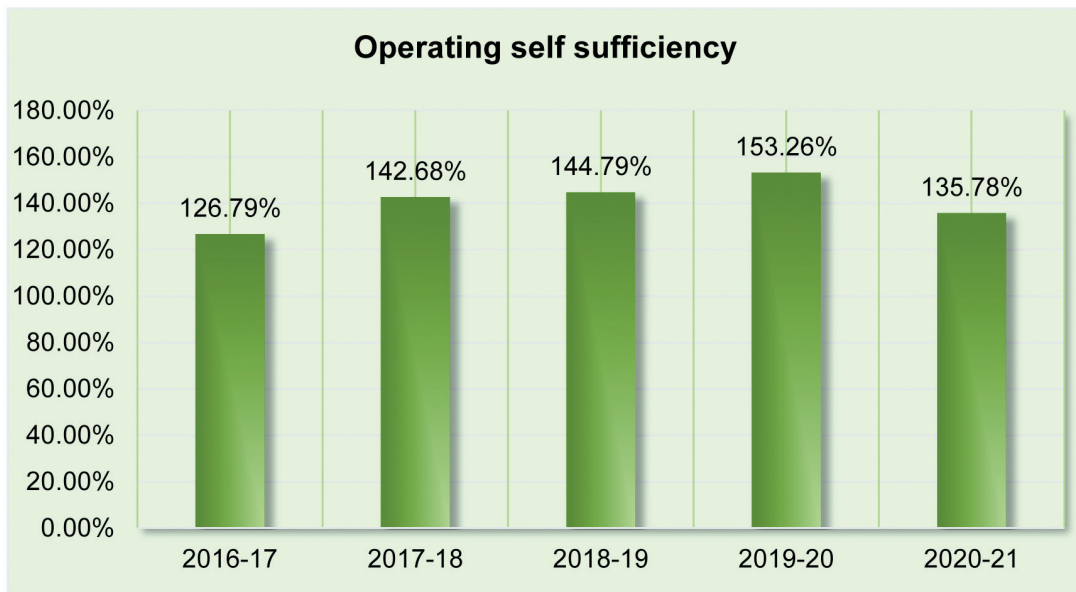
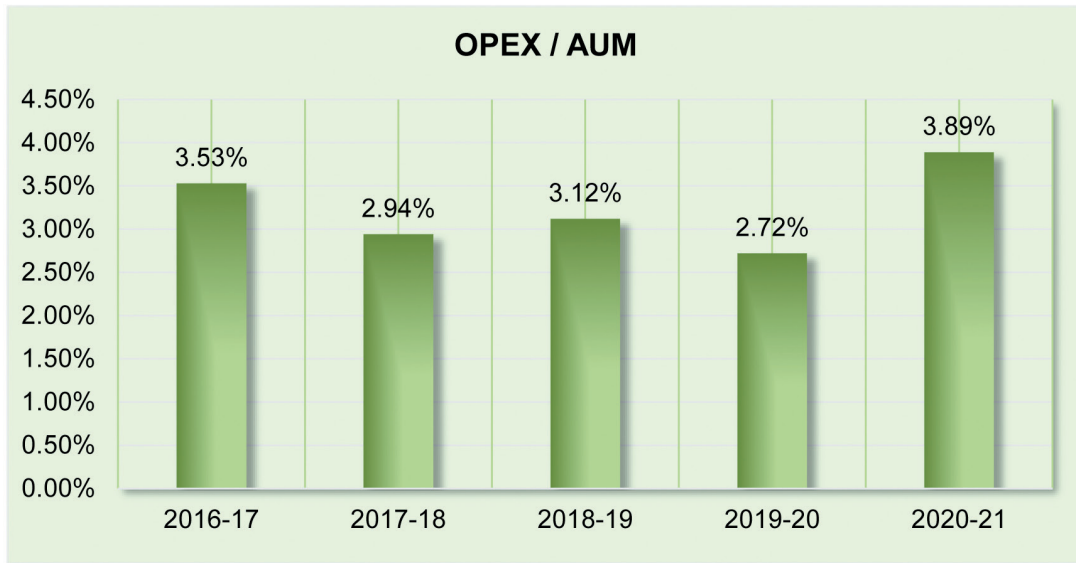
✓ Position as at 31st March, 2021

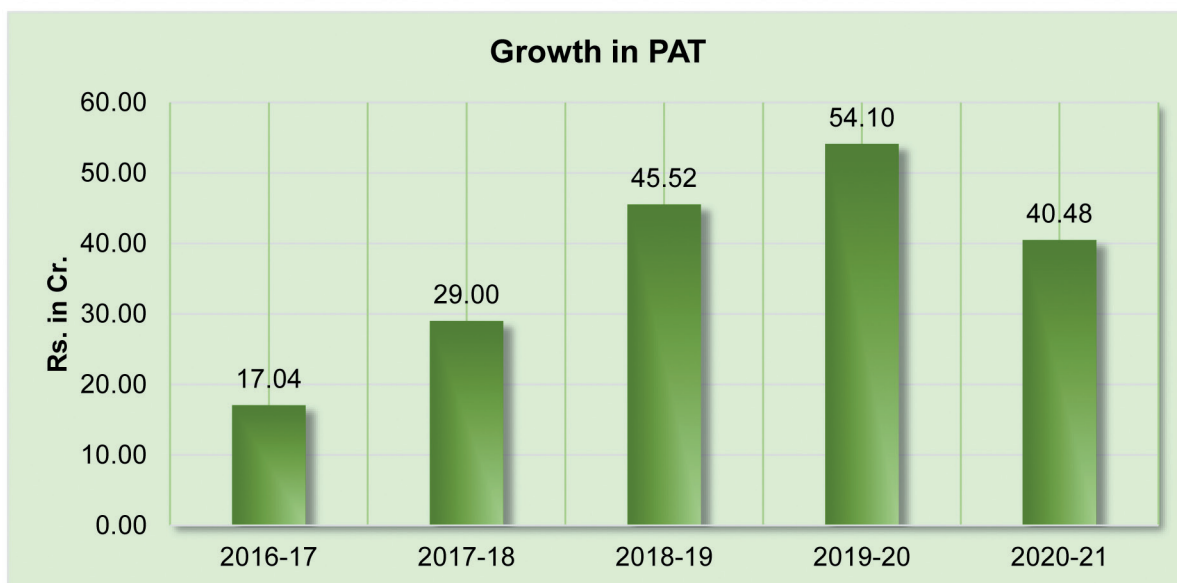
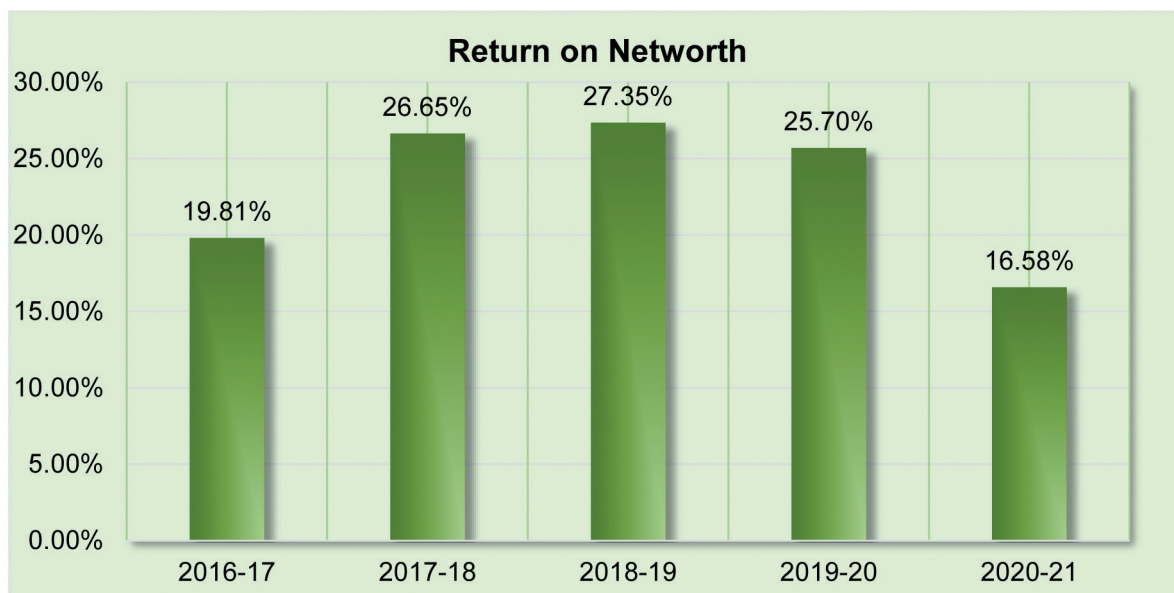
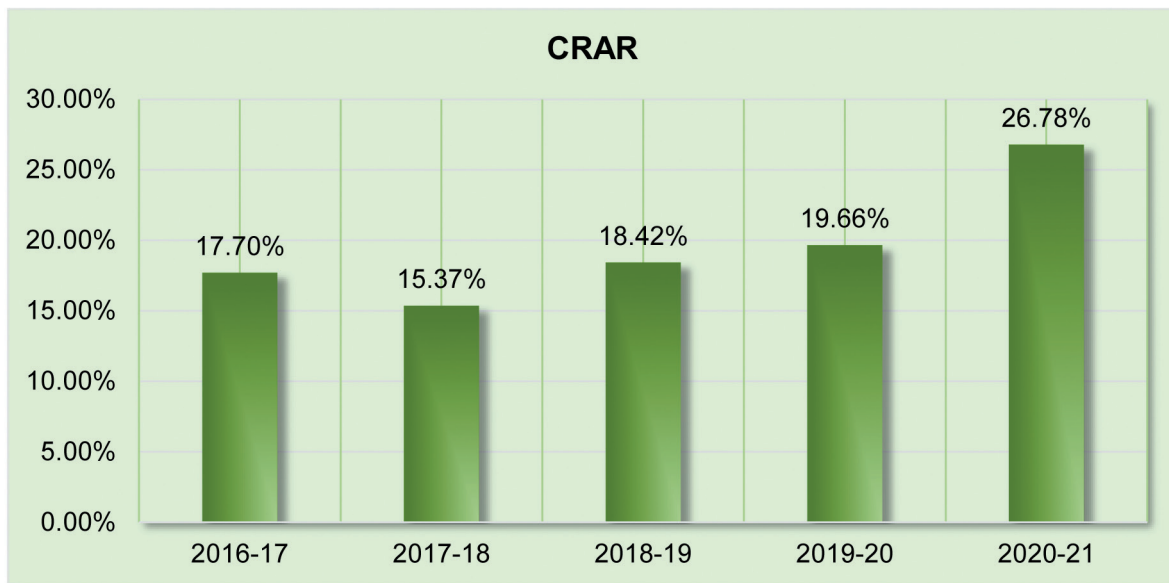
S.No.	Details	Amount (Rs.in Cr)
Business Operations		
1	Disbursement	407.77
2	Gross loan portfolio	865.02
3	Revenue from operations	176.45
Solvency & Liquidity		
4	Net worth as at end of fiscal	244.10
5	Capital Adequacy Ratio as at end of fiscal	26.78%
6	Cash & Cash Equivalent as at end of fiscal	66.41
Efficiency		
7	Effective cost of borrowing (average)	9.96%
8	Cost to income ratio	23.61%
9	Collection efficiency	90%
10	Net Interest Margin	9.28%

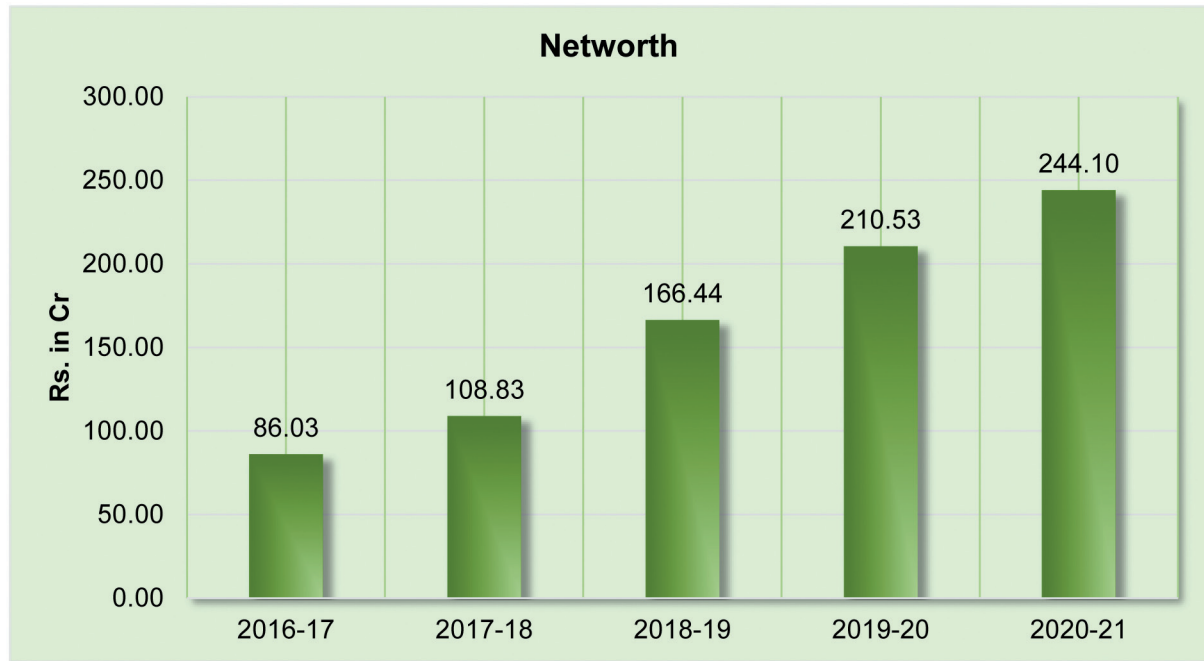
✓ Key Financial ratios are as below

Key Financial Ratios	FY 2020-21
CRAR	26.78%
Return on Assets	4.00%
Return on Equity	16.58%
Gross NPA	4.48%
Net NPA	NIL
Debt equity ratio	2.86%

✓ Financial dashboard







Internal control systems and their adequacy.

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

Material developments in Human Resources

The Company has total manpower strength of 606 as on 31st March, 2021. Training programme for newly inducted staff, refresher training for existing employees are being conducted to impart knowledge and skill. Due to Pandemic, fresh recruitment was not carried except specialized cadres.

Road Map for FY 2021-22

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

RMFL aims to achieve Rs. 1,000 Crore assets under management during FY 2021-22 and increase the branch network to 100.

For and on behalf of the Board of Directors

A.G. Venkatachalam

Whole-time Director

DIN No: 05289154

R.S. Isabella

Managing Director

DIN No: 06871120

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting the Fourteenth Annual Report of the company with audited accounts for the year ended March 31, 2021.

FINANCIAL RESULTS

(Rs. In lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Operating Income	17234.76	18192.62
Other Income	410.25	1013.61
Total Income	17645.01	19206.23
Finance Cost	7141.32	7650.06
Administration & Other Costs	3227.71	2792.98
Provision for Standard Assets	-94.82	79.19
Provision for Non-Performing Assets	1786.91	1147.27
Depreciation	143.09	160.84
Profit before tax	5440.77	7362.92
Provision for tax and others	1882.35	2053.67
Deferred Tax	+490.29	+101.14
Profit after tax	4048.72	5410.40
CRAR	26.78%	19.66%

DIVIDEND

Your directors recommend payment of dividend @ Re. 0.80 paise per equity share of face value of Rs.10 each for the period ended March 31, 2021. 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, 2021, 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. The sum of Rs. 20,40,00,000 received towards subscription to Rights Issue on 31.03.2021 was placed as Share Application money pending allotment in the Books of Account as the last date of Rights Issue was 10.04.2021.

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 31.03.2021	As at 31.03.2020
Number of branches	93	90
Number of clients	3,54,388	3,98,937
Number of employees	606	656
Amount disbursed (Rs.in Cr.)	407.77	1010.00
Gross loan portfolio (Rs. In Cr.)	865.02	1084.03

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 regained growth in disbursement during end of the fiscal.

COVID – 19

The Unprecedented coronavirus pandemic led to huge disruptions across the countries in terms of economic activity as well as loss of human lives. All the sectors have been adversely affected with few exceptions. The FY 2020-21 commenced with Covid-19 and national lockdown which persisted for more than a quarter and its effect was felt during the whole year with varying magnitude among sectors and states.

Development in Financial services

Financial services such as Banks and NBFCs had more damaging effects than others as it integrates all the sectors with the economic activities, resulting in de-growth and higher delinquency in assets.

As per RBI guidelines, the Moratorium was extended by all lenders to its borrowers initially for the period from March 2020 to May'2020 and later till Aug'2020. The regulator's announcement of Resolution Framework for COVID-19 – related stress during Aug' 2020 in order to mitigate the stress had some positive impact.

The Hon'ble Supreme Court in Sep'2020 had pronounced, 'that the accounts which were not declared NPA till 31.08.2020 shall not be declared NPA till further orders'. The same resulted in non-marking of NPA in the system by lenders for the subsequent months.

The apex court on October 14 directed the Centre to implement "as soon as possible" interest waiver on loans of up to ₹2 crore under the RBI moratorium scheme in view of the COVID-19 pandemic. Following the Supreme Court's direction, the Central Government came up with a scheme in a bid to provide relief to small borrowers and the amount has been credited to all the eligible borrowers.

Later, the stay has been vacated by the Hon'ble court on March 23rd, 2021 ruling 'that it is directed that there shall not be any charge of interest on interest/compound interest/penal interest for the period during the moratorium and any amount already recovered under the same head, namely, interest on interest/penal interest/compound interest shall be refunded to the concerned borrowers and to be given credit/adjusted in the next instalment of the loan account'. As per the order, the said direction is applicable to all borrowers irrespective of loan amount.

Impact on MFI

The MFI sector serves the under-privileged with the aim of their upliftment through financial assistance in the form of Micro credit. The sector predominantly focused on Financial Inclusion, being one of the major agenda of Indian Government in reforming the economy. After the adverse effects of pandemic MFI sector is expected to regain its strength and recoup with the progress of the economy as lot of potential prevails in our economy which is emerging stronger day by day.

LOAN ASSETS & DISBURSEMENT

As at March 31, 2021, the loan assets stood at Rs. 865.02 Crore. The total loan disbursement during the year was Rs. 477.77 Crore.

BORROWING FROM BANKS

RMFL has received fresh Term loan sanctions from banks amounting Rs. 165.00 Crore. The outstanding term loans and overdraft from banks, as at March 31, 2021 were Rs.502.20 Crore and 197.22 Crore respectively.

DEPOSIT

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

TRANSFER TO RESERVES

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

COMPLIANCE WITH RBI GUIDELINES / DIRECTIONS

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

ANNUAL RETURN

The extracts of annual return in Form MGT 9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is provided in Annexure-I to this report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

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

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.

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 observations from the audit are reported to the Audit Committee and follow up actions are taken accordingly.

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

RISK MANAGEMENT

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

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

The Company has not 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 period under review there was no foreign exchange earnings or out flow.

HUMAN RESOURCES

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

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

This is evident from the high retention rates and improved engagement levels of the associates. Attrition in FY 2021 was 7.92 percent for overall Company.

The number of employees as on 31 March, 2021 was 606 and out of which women employees account for 64.69% and thus women empowerment continues at RMFL.

VIGIL MECHANISM / WHISTLE BLOWER

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

CHANGES IN DIRECTORSHIP / KEY MANAGERIAL PERSONNEL

Shri. S. Nagoor Ali Jinnah and Shri. Ramachandran Balachandran was appointed as independent directors of the Company in place of Shri Mohandoss, who retired upon completion of his term during the year.

MEETINGS OF BOARD

During the financial year 2020-21 the Board and Audit Committee met 7 (Seven) times on 29 May, 2020, 14 July, 2020 24 August, 2020 29 September, 2020 05 November, 2020 08 February, 2021 and 23 March, 2021 respectively. The details of the constitution and meetings of the Board and the various Committees held during the year are given below

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

Attendance of each Director at Board Meetings and at the 13th Annual General Meeting (AGM) is detailed below:

Name of Director (Shri/Smt)	No. of Board Meeting held during the tenure of director	No. of Board Meeting attended	AGM attended by director
P. Mahalingam	7	7	No
V. Mohandoss (1)	4	4	No
R. S. Isabella	7	6	Yes
N. Balasubramanian	7	7	Yes
V. Dasaraty	7	7	Yes
Yashpal Gupta	7	6	No
S. Nagoor Ali Jinnah (2)	3	3	No
Ramachandran Balachandran(2)	3	3	No

- (1) Shri.V.Mohandass retired w.e.f 30.09.2020
- (2) Shri.S.Nagoor Ali Jinnah & Shri.Ramachandran Balachandran were appointed as director w.e.f 29.09.2020

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 following members as at 31 March, 2021.

1. Shri. V. Dasaraty, Independent Director and Chairman of the Committee
2. Shri. Ramachandran Balachandran Independent Director, and
3. Smt. R.S. Isabella, Managing Director.

During the year the Audit Committee had met seven times on 29 May, 2020, 14 July, 2020 24 August, 2020, 29 September, 2020, 05 November, 2020, 08 February, 2021 and 23 March, 2021 respectively.

Attendance of each Director at Audit Committee Meetings:

Name of Director (Shri/Smt)	No of Audit Committee Meeting held during the tenure of director	No. of Committee Meeting attended
V. Mohandoss (1)	4	4
V. Dasaraty	7	7
R. S. Isabella	7	6
Ramachandran Balachandran (2)	3	3

(1) Shri V Mohandass retired w.e.f 30/09/2020

(2) Shri Ramachandran Balachandran was appointed as Independent Director w.e.f. 29/09/2020.

The Board of Directors has 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 31 March, 2021.

1. Shri. Shri. S. Nagoor Ali Jinnah, Independent Director & Chairman of the Committee
2. Shri. V. Dasaraty, Independent Director and
3. Shri. Yashpal Gupta – Nominee Director

During the year the NRC Committee had met three times on 29 May, 2020, 29 September, 2020 and 23 March, 2021 respectively.

Attendance of each Director at NRC Meetings

Name of Director (Shri/Smt)	No of NRC Meeting held during the tenure of director	No. of Committee Meeting attended
V. Mohandoss (1)	2	2
V. Dasaraty	3	3
Yashpal Gupta	3	2
S. Nagoor Ali Jinnah (2)	1	1

(1) Shri V Mohandass retired w.e.f 30/09/2020

(2) Shri. Nagoor Ali Jinnah was appointed as Independent Director w.e.f. 29/09/2020.

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 31 March, 2021.

1. Smt. R.S. Isabella, Managing Director & Chairman of the Committee
2. Sri. S. Nagoor Ali Jinnah, Independent Director and
3. Shri. P. Mahalingam, Non-Independent Director

During the year the CSR Committee had met three times on 14 July, 2020, 29, January, 2021 and 23 March, 2021.

Attendance of each Director at CSR Committee Meetings

Name of Director (Shri/Smt)	Eligible Meetings	No. of Committee Meeting attended
R.S. Isabella	3	3
V. Mohandoss (1)	1	1
P. Mahalingam	3	3
Sri. S. Nagoor Ali Jinnah (2)	2	2

(1) Shri V Mohandass retired w.e.f 30/09/2020

(2) Shri. Nagoor Ali Jinnah was appointed as Independent Director w.e.f. 29/09/2020.

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 01st April 2021:

1. Shri. Ramachandran Balachandran – Independent Director (Chairman of the Committee)
2. Shri. A.G. Venkatachalam – Whole-time Director
3. Shri. S. Shenbagaraj – Chief Technology Officer

During the year, the IT Strategy Committee Meeting had met two times on 03.07.2020 and 29.12.2020 respectively.

Attendance of each Director / Member at IT Strategy Committee Meetings

Name of Director / Member (Shri/Smt)	Eligible Meetings	No. of Committee Meeting attended
V. Mohandoss (1)	1	1
N. Balasubramanian	2	2
G. Srinivasan (2)	1	1
Ramachandran Balachandran (3)	1	1
S. Shenbagaraj	1	1

(1) Shri V Mohandass retired w.e.f 30/09/2020

(2) Shri G. Srinivasan erstwhile CTO relieved during the year.

(3) Shri Ramachandran Balachandran was appointed as Independent Director w.e.f. 29/09/2020.

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 01st April 2021:

1. Smt. R.S. Isabella – Managing Director & Chairman of the Committee.
2. Shri. Ramachandran Balachandran – Independent Director
3. Shri. P. Mahalingam – Non-Independent Director.
4. Shri. A.G. Venkatachalam – Whole time Director.

The Committee met four times during the year on 29, May, 2020, 29 September, 2020, 22 December, 2020 and 23 March, 2021 and all the members were present during the meeting.

Attendance of each Director at Asset liability Management Committee Meetings

Name of Director (Shri/Smt)	Eligible Meetings	Meeting attended
R.S. Isabella	4	4
P. Mahalingam	4	4
N. Balasubramanian (1)	4	4
Ramachandran Balachandran (2)	Nil	Nil
A G Venkatachalam (2)	Nil	Nil

1. Shri N. Balasubramanian ceased to be the member of the ALM committee w.e.f 23 March, 2021.
2. Co-opted to the ALM Committee as recommended by the Board on 23 March, 2021.

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 ensures 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 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 2021:

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 29.05.2020 and 22.12.2020 respectively.

Attendance of each Director at Risk Management Committee Meetings

Name of Director (Shri/Smt)	Eligible Meetings	Meeting attended
R.S. Isabella	2	2
N. Balasubramanian	2	2
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, 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 said committee has recommended and 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/20210323_CSR_Policy.pdf.

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

Existing auditor M/s. P.B. Vijayaraghavan and Co., Chartered Accounts

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 Annual General Meeting of the Company to be held during the year 2022.

Pursuant to the amendment in RBI guidelines dated April 26, 2021 on Statutory Auditors, Company can appoint an auditor for a continuous period of 3 years and they would not be eligible for re-appointment upto 6 years from the completion of the existing tenure. Accordingly, P.B Vijayaraghavan & Co., has furnished the resignation letter as they have already completed 4 years as statutory auditors of the company and they would not be eligible for re-appointment.

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 except an observation mentioned in sl. No. 10 of Annexure-I to auditors report is reproduced here under.

Auditor Comments. The Company has identified additional amount on frauds pertaining to previous Financial Year and made a provision of Rs. 4,56,000 during the current year in respect of the same. (Total fraud provision as on 31-03-2021 is Rs. 21,34,828). There was no fraud during the FY 2020-2021.

Management response: - The Company has identified those frauds during internal check.

NEW AUDITOR

In compliance with the directions stipulated in the RBI guidelines dated April 26, 2021. The company has proposed M/s. Rajagopal & Badri Narayanan, Chartered Accountants, (Firm Registration No. 003024S), as Statutory Auditors of the Company for a period of 3 years from the conclusion of this Annual General meeting until the conclusion of the Annual General Meeting to be held for the financial year 2023-2024, subject to the firm satisfying the eligibility norms each year as stipulated by Reserve Bank of India at a remuneration as fixed by Board of Directors of the Company.

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.

There are no qualifications or adverse remarks in the Secretarial Auditor's Report, which require any clarification / explanation except two observations which are reproduced here under.

Auditor Comments

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. The company has submitted responses to the queries raised by RBI on a time to time basis. It is noted that the company has complied with all the observations made by RBI, excepting to migration to IP V6 platform and implementation of CKYC as required under the Master Direction issued by RBI. Company had sought time until Dec 31, 2021 to implement the same.

Management response: - The implementation of IP V6 and CKYC is taking time due to state / central lockdown. Further, the projects require special attention to avoid technical glitches.

The Company has identified additional amount to the tune of Rs. 5.23 Lakhs, on the fraud pertaining to previous years and made a provision of Rs.4,56,000 in the books of accounts in respect of the same. There were no frauds during the FY 2020-21.

Management response: - The Company has identified those frauds during internal check.

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

No material changes and commitments have occurred affecting the financial position of the Company after March 31, 2021 until the date of this Report.

PENALTY

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

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

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

The following is a summary of sexual harassment complaints received and disposed of during the year 2020-2021.

No of complaints received: Nil

No of complaints disposed of: Nil

CREDIT RATING AND MICRO FINANCE GRADING

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

Rating Agency	Instrument	Rating	Limit in Rs. Cr.
CARE	Long term Bank Facilities	BBB+	400.00
ICRA	Long term Bank Facilities	BBB	300.00
CRISIL	Short term Bank Facilities	A3+	300.00
CARE	MFI Grading	MFI 2 (3 rd highest grading on an eight point scale)	-

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 support 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

Shri. A G Venkatachalam

Whole Time Director
DIN- 05289154

Smt. R. S. Isabella

Managing Director
DIN- 06871120

ANNEXURE-I

TO THE BOARD'S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN as on financial year ended on 31.03.2021

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

Registration & Other Details:

1	CIN	U74900TN2007PLCO64126
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

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

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

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

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				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	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.	Share holder'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 in promoters shareholding					
	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 share holding 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 Shares	% of total Shares of the Company				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 (A)	Unsecured Loans (B)	Deposits (C)	Total Indebtedness D (A + B – C)
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,72,82,76,176	12,14,34,626	Nil	8,84,97,10,802
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	27,25,254	-		27,25,254
Total (I + ii + iii)	8,73,10,01,430	12,14,34,626		8,85,24,36,056

Change in Indebtedness during the financial year (principal)				
Addition	1,65,00,00,000	-	4,00,00,000	1,61,00,00,000
Reduction	3,42,02,30,429	8,52,09,171	-	3,50,54,39,600
Net Change	-1,77,02,30,429	8,52,09,171	4,00,00,000	-1,89,54,39,600
Indebtedness at the end of the financial year				
i) Principal Amount	6,95,80,45,747	3,62,25,455	4,00,00,000	6,95,42,71,202
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	22,86,974	-	-	22,86,974
Total (i + ii + iii)	6,96,03,32,721	3,62,25,455	4,00,00,000	6,95,65,58,176

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

Particulars of Remuneration	Managing Director (Smt. R.S. Isabella)* (A)	Whole Time Director (Sri. N. Balasubramanian)* (B)	Total Amount C=(A+B)
Gross salary			
Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,46,976	24,58,646	27,05,622
Value of perquisites u/s 17(2) Income-tax Act, 1961			
Profits in lieu of salary under section 17(3) Income tax Act, 1961			
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission - as % of profit - others, specify...	-	-	-
Others, please specify	-	-	-
Total (A)	2,46,976	24,58,646	27,05,622
Ceiling as per the Act	10 % of Net Profit		

* Remuneration paid to Repco Bank as re-imbursement

Remuneration to other directors:

Independent Directors				
Particulars of Remuneration	Shri. V. Mohandass (1)	Shri. V.Dasaraty	Shri. Ramachandran Balachandran (2)	Total Amount
Fee for attending board committee meetings	80,000	1,25,000	55,000	2,60,000
Commission				
Others, please specify				
Total (1)	80,000	1,25,000	55,000	2,60,000
Other Non-Executive Directors				
Particulars of Remuneration	Shri. P.Mahalingam	Shri. Yashpal Gupta (3)	Shri. Nagoor Ali Jinnah (2)	Total Amount
Fee for attending board committee meetings	1,15,000	70,000	50,000	2,35,000
Commission				
Others, please specify				
Total (2)	1,15,000	70,000	50,000	2,35,000
Total (B) = (1+2)				4,95,000
Total Managerial Remuneration				4,95,000
Overall Ceiling as per the Act	1% of the Net Profit			

(1) Shri V Mohandass retired w.e.f 30/09/2020

(2) Shri Ramachandran Balachandran and Shri Nagoor Ali Jinnah were appointed as Independent Director w.e.f. 29/09/2020.

(3) Sitting fees for Shri. Yashpal Gupta Paid to Repco Home Finance Ltd.

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

S.No.	Particulars of Remuneration	Company Secretary Smt. Lakshmi Raghupathy (A)	Chief Financial Officer Shri. V. Balasubramanian (B)	Total (C) (A+B)
1.	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,48,916	8,82,200	17,31,116
	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify:			
	Sodexo:	71,380	55,420	1,26,800
	Incentive:	41,500	41,500	83,000
	Total	9,61,796	9,79,120	19,40,916

viii) Penalties / Punishment/ Compounding of Offences: NIL

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

Sri. A G Venkatachalam

Whole Time Director

DIN- 05289154

Smt. R. S. Isabella

Managing Director

DIN- 06871120

Date: 04-08-2021

Place: Chennai

ANNEXURE-II

Annual Report on Corporate Social Responsibility (CSR)

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

S.No.	Name of Director	Designation Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Smt. R.S. Isabella	Managing Director	3	3
2.	Shri.V. Mohandoss *	Independent Director	3	1
3.	Shri. S. Nagoor Ali Jinnah**	Independent Director	3	2
4.	Shri. P. Mahalingam	Director	3	3

*Shri.V. Mohandoss tenure got expired w.e.f 30.09.2020

**Shri. S. Nagoor Ali Jinnah was appointed as Independent Director w.e.f 29.09.2020 and became member of the CSR Committee w.e.f (From 22.10.2020)

3. Provide the web-link where Composition of CSR committee, and CSR Policy approved by the board are disclosed on the website of the company.

CSR Committee - <https://www.repcomicrofin.co.in/corporate-presentation.php>

CSR Policy - <https://www.repcomicrofin.co.in/company-policies.php>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). - NA
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - Nil
6. Average net profit of the company as per section 135(5). – Rs.61,07,23,287
7. (a) Two percent of average net profit of the company as per section 135(5) - Rs. 1,22,14,466/-
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – Nil
 (c) Amount required to be set off for the financial year, if any - Nil
 (d) Total CSR obligation for the financial year (7a+7b-7c)
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the FY (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 1,22,14,466/-	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
1.	Distribution of Mask – 11.05.2020	Healthcare	Yes	TamilNadu	Chennai	5,00,000	Yes		
2.	Distribution of Mask – 27.05.2020	Healthcare	Yes	TamilNadu	Chennai	5,00,000	Yes		
3.	Direct distribution of mask - 02.06.2020	Healthcare	Yes	TamilNadu	Chennai	200000	Yes		

4.	Direct distribution of mask - 06.06.2020	Healthcare	Yes	TamilNadu	Chennai	147000	Yes		
5.	Grocery Distribution to Old age home	Eradicating hunger / providing facilities for senior citizens	No	Tamilnadu	Salem	50000	Yes		
6.	Grocery Distribution to Nivar Cyclone Affected people	Disaster Management	No	Tamilnadu	Chennai, Cuddalore & Puducherry	998000	Yes		
7.	Education Aid & Medical Aid to Repatriates	Promoting Health care & Education	No	Tamilnadu		5000000	No	Repatriate Welfare Trust	
8.	Procurement of Medical Equipment	Promoting Health Care	No	Tamilnadu	Sri perumbudur	375000	No	RMD Pain and Palliative Care Trust	CSR00000406
9.	Procurement of Laptop, projectors, printers etc.	Promoting Education	Yes	Tamilnadu	Chennai	230000	No	Shine Charitable Trust	
10.	Education Aid & Medical Aid to Repatriates	Promoting Health care & Education	No	Tamilnadu		3214466	No	Repatriate Welfare Trust	
11.	Creating awareness for women education	Promoting Education	No	Tamilnadu	Namakkal & Nilgiris	1000000	No	Jothi Trust	
	TOTAL					12214466			

- (d) Amount spent in Administrative Overheads - NA
1. Amount spent on Impact Assessment, if applicable - NA
2. Total amount spent for the Financial Year
(8b+8c+8d) - Rs. 12214466/ -
3. Excess amount for set off, if any - NIL

- (a) Details of Unspent CSR amount for the preceding three financial years: - NA
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): - NIL
9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). - NA
- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - NA

Sd/-

(Chief Executive Officer
or Managing Director or
Director).

Sd/-

(Chairman CSR Committee).

Sd/-

[Person specified under
clause (d) of sub-section (1)
of section 380 of the Act]
(Wherever applicable).

ANNEXURE-III

Nomination & Remuneration Policy of Repco Micro Finance Limited

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.
- g) 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

- h) 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.

- i) 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.

ANNEXURE-IV

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2021

[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, 2021 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, 2021 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:-

- (i) 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. The company has submitted responses to the queries raised by RBI on a time to time basis. It is noted that the company has complied with all the observations made by RBI, excepting to migration to IP V6 platform and implementation of CKYC as required under the Master Direction issued by RBI. Company had sought time until Dec 31, 2021 to implement the same.
- (ii) The Company has identified additional amount to the tune of Rs. 5.23 Lakhs, on the fraud pertaining to previous years and made a provision of Rs.4,56,000 in the books of accounts in respect of the same. There we no frauds during the FY 2020-21.

Place : Chennai

Date: 27/07/2021

Sd/-

Amit Rathi
Company Secretary in Practice
ACS No. 30354
CP No. 11081
ICSI UDIN: A030354C000690741

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 : 27/07/2021

Sd/-
Amit Rathi
Company Secretary in Practice
ACS No. 30354
CP No. 11081
ICSI UDIN: A030354C000690741

INDEPENDENT AUDITOR'S REPORT

To the members of REPCO MICRO FINANCE LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of REPCO MICRO FINANCE LIMITED (“the Company”), which comprise the Balance Sheet as at 31st March, 2021, 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, 2021, and its Statement of 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 your attention to Note 20(I) to the financial statement which describes the probable impact of the COVID-19 pandemic on the Company’s operations and financial position, including the credit quality and requirement for provisioning, is uncertain and will depend on future steps as they evolve and is highly unpredictable at this stage.

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, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 : 23.06.2021

For P. B. Vijayaraghavan & Co.,

Chartered Accountants

FRN: 004721S

P.R.Krishnamurthy

Partner

M.No. 012622

UDIN:2102622AAAAAP2274

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

The Company has identified additional amount on the frauds pertaining to previous FY and made a provision of Rs.4,56,000 during the current year in respect of the same. (Total fraud provision as on 31.03.2021 is Rs.21,34,828). There was no frauds during the FY 2020-21

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: 23.06.2021

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

P.R.Krishnamurthy
Partner
M.No.012622
UDIN: 2102622AAAAAP2274

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 **REPCO MICRO FINANCE LIMITED** ("the Company") as of March 31, 2021 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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: 23-06-2021

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

P.R. Krishnamurthy
Partner
M.No. 012622
UDIN: 2102622AAAAAP2274

REPCO MICRO FINANCE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2021

Particulars		Note No	As at 31 st March 2021 (Amt in Rs.)	As at 31 st March 2020 (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	1,74,90,42,190	1,41,33,69,943
	Share Application Money Pending Allotment		20,40,00,000	-
	Non-current liabilities			
	-Long Term Borrowings	4	2,92,89,43,113	2,78,73,54,563
	-Deferred Tax Liabilities (Net)		-	-
	-Long term Provisions	5	42,21,53,704	25,29,44,094
	Current Liabilities			
	-Short Term Borrowings	6	1,97,22,73,181	3,88,69,01,313
	-Other Current Liabilities	7	2,13,20,94,490	2,21,56,40,314
	-Short Term Provisions	8	47,55,570	77,51,252
	TOTAL		10,10,52,62,249	11,25,59,61,480
II	ASSETS			
	Non-Current Assets			
	-Fixed Assets	9		
	-Property, Plant & Equipment		3,54,74,937	3,75,12,029
	-Intangible Assets		26,73,952	72,28,225
	-Deferred tax assets (net)	10	7,64,85,239	2,74,55,555
	-Long term loans and advances	11	4,20,66,77,708	5,16,44,98,898
	Other Non-Current Assets		4,00,00,000	-
	Current Assets			
	-Cash and cash Equivalents	12	66,41,76,371	27,77,77,531
	-Short-Term Loans and Advances	13	4,47,05,64,746	5,70,90,56,412
	-Other Current Assets	14	60,92,09,295	3,24,32,830
	TOTAL		10,10,52,62,249	11,25,59,61,480
	Significant Accounting Policies	1		
	Notes Forming Part of Accounts	20		

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

P.R. Krishnamurthy
Partner
Membership No: 012622

A. G. Venkatachalam
Director
DIN No: 05289154

R.S.Isabella
Managing Director
DIN No: 06871120

Place: Chennai
Date: 23.06.2021

P. Senthil Kumar
Chief Financial Officer

S. Yoganandhan
Company Secretary
Membership No: 39752

REPCO MICRO FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars		Note No	For the Year Ended March 2021 (Amt in Rs.)	For the Year Ended March 2020 (Amt in Rs.)
III	INCOME			
	Revenue From Operations	15	1,72,34,75,726	1,81,92,62,042
	Other Income	16	4,10,25,698	10,13,61,183
	Total Revenue		1,76,45,01,424	1,92,06,23,225
IV	EXPENDITURE			
	Employee Benefit Expenses	17	20,18,59,911	19,59,31,484
	Finance Costs	18	71,41,32,760	76,50,06,140
	Depreciation	9	1,43,09,954	1,60,84,178
	Other Expenses	19	12,09,11,428	8,33,66,901
	Provision for Non-Performing Assets		17,95,31,070	11,43,63,165
	Provision for Standard Assets & Other Contingencies		(94,82,204)	79,19,275
	Provision for Other Contingencies		4,56,000	3,64,338
	Provision for COVID-19		(12,95,255)	12,95,255
	Total expenses		1,22,04,23,664	1,18,43,30,736
V	Profit Before Taxation (III-IV)		54,40,77,760	73,62,92,490
VI	Tax Expense:			
	(1) Current Tax		18,42,55,134	20,53,67,020
	(2) Tax expense of earlier years		39,80,061	---
	(3) Deferred Tax		4,90,29,682	1,01,14,850
VII	Net Profit/(Loss) for the period		40,48,72,247	54,10,40,320
VIII	Earnings per equity share			
	Weighted Average Number of Shares during the period		6,92,00,000	6,92,00,000
	Basic and Diluted Earnings per share (Rs.)		5.85	7.82
	Nominal Value per share (Rs.)		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.R. Krishnamurthy
Partner
Membership No: 012622

A. G. Venkatachalam
Director
DIN No: 05289154

R.S.Isabella
Managing Director
DIN No: 06871120

Place: Chennai
Date: 23.06.2021

P. Senthil Kumar
Chief Financial Officer

S. Yoganandhan
Company Secretary
Membership No: 39752

REPCO MICRO FINANCE LIMITED					
Particulars	Note No	As at March 31, 2021		As at March 31, 2020	
		Number	Amount (Rs)	Number	Amount (Rs)
Shareholder's fund					
Note 2:					
A: SHARE CAPITAL	2				
Authorised Capital					
Equity shares of Rs.10/- each		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		6,92,00,000	69,20,00,000	6,92,00,000	69,20,00,000
(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	6,92,00,000	69,20,00,000
Shares issued during the year		-	-	-	-
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 Repco Bank Limited (Promoter)		4,72,00,000	47,20,00,000	4,72,00,000	47,20,00,000
(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:					
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.					
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.					

Note 3:	3		
RESERVES AND SURPLUS			
a) STATUTORY RESERVE (UNDER SECTION 45IC OF RBI ACT)			
Opening Balance		35,82,62,814	25,00,54,749
(+) Current Year Transfer		8,09,74,449	10,82,08,064
(-) Written Back in Current Year		-	-
Closing Balance		43,92,37,263	35,82,62,814
b) General Reserve			
Opening Balance		8,50,00,000	8,50,00,000
(+) Current Year Transfer		-	-
(+) Dividend paid with Tax		-	-
Closing Balance		8,50,00,000	8,50,00,000
c) Surplus in Statement of Profit and Loss			
Opening balance		97,01,07,130	63,73,87,911
(+) Net Profit / (Loss) for the year		40,48,72,247	54,10,40,320
(-) Appropriations		-	-
(-) Transfer to Statutory Reserve		-8,09,74,449	-10,82,08,064
(-) Transfer to General Reserve		-	-
(-) Dividend paid for previous year with Dividend distribution tax		-	-
(-) Dividend Distribution tax paid		-	-1,70,73,037
(-) Dividend paid		-6,92,00,000	-8,30,40,000
Closing balance		1,22,48,04,927	97,01,07,130
Total of Reserves and Surplus (a+b+c)		1,74,90,42,190	1,41,33,69,943
Note 4:			
Non-Current Liabilities			
LONG TERM BORROWINGS	4		
Secured			
Term Loan from Banks		43,11,45,937	90,50,11,972
* 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		2,49,77,97,176	1,88,23,42,591
As per Balance Sheet		2,92,89,43,113	2,78,73,54,563
Note 5:			
LONG TERM PROVISIONS:	5		
Towards Non-Performing advances		38,64,61,204	20,55,45,257
Towards Standard advances		3,30,51,647	4,25,33,852
other contingencies		21,34,828	16,78,828
Housing Loan		18,01,280	18,90,902
COVID Provision		-12,95,255	12,95,255
As per Balance sheet		42,21,53,704	25,29,44,094
Note 6:			
SHORT TERM BORROWINGS:	6		
Secured			
Loans repayable on Demand			
From Related parties - SODL from Repco Bank		1,97,22,73,181	3,88,69,01,313
As per Balance Sheet		1,97,22,73,181	3,88,69,01,313
*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		2,05,68,29,453	2,08,87,72,926
Unsecured			
Term Loans from Repco Bank		3,62,25,455	8,66,82,000

Other Liabilities*

*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 2021. 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

Note 8:

SHORT TERM PROVISIONS

Employee benefits

Income Tax (Net of Advance Tax)

As per Balance Sheet

Note 10:

DEFERRED TAX

Deferred Tax Assets:

Provision towards Non performing advances/Standard Advances and other contingencies

Other timing Differences

Gross Deferred Tax Asset (A)

Deferred Tax Liabilities:

Difference Between Written Down Value of Fixed Assets as per Companies act and as per Income tax Act.

Gross Deferred Tax Liability (B)

Net Deferred tax Asset/(Liability) (A-B)

As per Balance sheet

	3,90,39,582	4,01,85,388
	2,13,20,94,490	2,21,56,40,314
8		
	47,55,570	32,84,232
	-	44,67,020
	47,55,570	77,51,252
10		
	7,66,00,797	2,82,52,198
	11,96,882	8,26,576
	7,77,97,679	2,90,78,774
	13,12,440	16,23,218
	13,12,440	16,23,218
	7,64,85,239	2,74,55,555
	7,64,85,239	2,74,55,555

<p>Note 11</p> <p>LONG TERM LOANS & ADVANCES</p> <p>(Un Secured & Considered Good excepting Non performing advances)</p> <p>Micro Finance Loans to Self Help groups</p> <p>Rent Deposit</p> <p>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</p> <p>As per Balance Sheet</p>	11		
		4,19,19,05,428	5,14,99,66,618
		1,47,72,280	1,45,32,280
		4,20,66,77,708	5,16,44,98,898
<p>Note 12:</p> <p>CASH AND CASH EQUIVALENTS</p> <p>Cash on Hand</p> <p>Balances with Banks</p> <ul style="list-style-type: none"> - Current Account - Savings Bank account <p>As Per Balance Sheet</p>	12		
		3,772	3,772
		66,41,72,599	27,77,73,759
		-	-
		66,41,76,371	27,77,77,531
<p>Note 13</p> <p>SHORT TERM LOANS & ADVANCES</p> <p>(Un Secured, considered good excepting Non performing advances)</p> <p>Current Maturities of Micro finance Loan</p> <p>Current Maturities of Other advances</p> <p>Prepaid expenses</p> <p>Advances recoverable in Cash or in Kind or value to be received</p> <p>Advance Tax/TDS (Net of provision for Income tax)</p> <p>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.</p> <p>As per Balance sheet</p>	13		
		4,45,83,07,219	5,69,03,47,681
		18,01,280	22,14,627
		41,32,538	53,27,611
		63,23,709	1,11,66,493
		-	-
		4,47,05,64,746	5,70,90,56,412

Note 14			
OTHER CURRENT ASSETS			
Interest overdue on Micro Finance Loans		91,664	3,24,32,830
Accrued Interest on Moratorium		60,06,27,809	-
Accrued interest on FD		47,781	-
Interest accrued on MF loans		84,42,041	-
As per Balance sheet		60,92,09,295	3,24,32,830

Weighted Average Number of Shares Outstanding during the Period

From	To	No of days used	No of Shares	WANES
01.04.2020	31.03.2021	365	6,92,00,000	6,92,00,000

REPCO MICRO FINANCE LIMITED			
Particulars	Note No	For the Year Ended March 2021 (Amt in Rs.)	For the Year Ended March 2020 (Amt in Rs.)
Note 15			
Revenue from operations	15		
Interest from Micro Finance Loan		1,72,34,75,726	1,81,92,62,042
Total		1,72,34,75,726	1,81,92,62,042
Note 16			
Other income:	16		
Recovery of bad debts written off		43,235	-
Interest on Bank Deposits		47,781	-
Evaluation Fee		4,07,77,550	10,10,68,038
Others		1,57,132	2,93,145
Total		4,10,25,698	10,13,61,183
Note 17			
Employee benefit expenses:	17		
Salaries & Allowances		15,00,63,844	13,83,45,917
Contribution to provident and other funds		93,38,101	90,75,052
Staff Welfare		4,24,57,966	4,85,10,515
Total		20,18,59,911	19,59,31,484
Note 18			
Finance Costs:	18		
Interest on Term Loans		43,98,72,768	38,16,80,440
Interest on SODL/ Cash Credit		26,77,58,427	37,25,76,566
Others		65,01,565	1,07,49,133
Total		71,41,32,760	76,50,06,140

Note 19			
Other expenses:	19		
Printing and Stationery		19,21,424	26,14,061
Office Expenses, Postage & Telegraph		39,16,027	52,19,800
Rent		2,62,43,436	2,45,39,300
Repairs and Maintenance - others		27,05,327	35,89,098
Telephone Charges		35,47,398	24,16,446
Electricity Charges		23,02,485	26,96,401
Remuneration to Statutory Auditors towards			
- Statutory audit		5,45,000	5,45,000
Remuneration to Tax Auditors towards			
- Tax audit and tax representation		5,55,900	1,45,850
- Other Services		2,72,500	2,77,950
Professional & Legal Charges *		63,36,683	79,84,110
Leased Line Charges		1,04,48,670	92,02,811
Bad debts written off		3,91,89,804	93,77,341
CSR Activities		1,22,19,776	85,52,310
Income tax expenses		67,69,532	-
PM Care fund		-	5,00,000
Other expenses		39,37,467	57,06,423
Total		12,09,11,428	8,33,66,901
* 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, 2021				
Particulars		For the year ended March 31, 2021 (Amt in Rs)		For the year ended March 31, 2020 (Amt in Rs)
1	Cash Flow From Operating Activities			
	NET PROFIT BEFORE TAX		54,40,77,760	73,62,92,490
	Adjustments For:			
	Depreciation added back	1,43,09,954		1,60,84,178
	(Profit)/Loss on Sale of Fixed Assets	-		
	Interest Earned on Deposits	-		
	Bad debts written off	3,91,46,569		93,77,341
	Tax expense of Earlier Years	39,80,061		-
	Deferred tax	-		-
	Provision for Non-Performing Assets/Standard Assets	16,92,09,610		12,39,42,039
			21,86,86,072	14,94,03,558
	Operating Profit Before Working Capital Changes		76,27,63,832	88,56,96,048
	Changes in Working Capital			
	Increase/(Decrease) in short term provisions		-29,95,682	57,36,420
	(Increase)/Decrease in Long term and short-term loans & advances		-1,90,81,76,929	21,31,61,263
	(Increase)/Decrease in other current assets		-61,59,23,034	-2,78,13,629
	Increase/(Decrease) in other current liabilities		-8,35,45,824	32,50,78,058
	Operating Profit after Working Capital Changes		-1,84,78,77,636	1,40,18,58,160
	Direct Taxes Paid		-18,42,55,134	-20,53,67,020
	Net Cash from Operations		-2,03,21,32,771	1,19,64,91,140
	(Increase)/Decrease in Micro finance loans outflow		95,78,21,190	-1,27,45,22,273

	(Increase)/Decrease in Current maturities of Micro finance loans	1,23,20,40,462	-49,52,66,343
	Net Cash Generated from operating activity (A)	15,77,28,881	-57,32,97,476
2	Cash Flow from Investing Activities		
	Purchase of Fixed Assets outflow	-77,18,591	-1,25,25,266
	Sale of Fixed Assets		
	Investments in Fixed Deposits	-4,00,00,000	-
	Interest Earned on Deposits	-	-
	Dividend received on Investments	-	-
	Net Cash Used in Investing Activities (B)	-4,77,18,591	-1,25,25,266
3	Cash Flow from Financing Activities		
	Proceeds from Issue Share Capital (Net off of Issue Expenses)	20,40,00,000	-
	Increase in Secured and Unsecured Loans (Net) inflow	14,15,88,550	85,67,09,911
	Dividends Paid (Including Dividend distribution tax)	-6,92,00,000	-10,01,13,037
	Net Cash Used in Financing Activities (C)	27,63,88,550	75,65,96,874
	Net Increase/Decrease in cash and cash equivalent (A+B+C)	38,63,98,840	17,07,74,132
	Cash and Cash Equivalents - Opening Balance (D)	27,77,77,531	10,70,03,399
	Cash and Cash Equivalents - Closing Balance *	66,41,76,371	27,77,77,531

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 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:		38,63,98,840		17,07,74,132
		-		-
(i) Balances with banks				
- in Current accounts		66,41,72,599		27,77,73,759
- in savings bank account		-		-
- in deposit accounts with original maturity up to 3 months		-		-
(ii) Cash on hand		3,772		3,772
		66,41,76,371		27,77,77,531

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

P.R. Krishnamurthy
Partner
Membership No: 012622

A. G. Venkatachalam
Director
DIN No: 05289154

R.S.Isabella
Managing Director
DIN No: 06871120

Place: Chennai
Date: 23.06.2021

P. Senthil Kumar
Chief Financial Officer

S. Yoganandhan
Company Secretary
Membership No: 39752

REPRO MICRO FINANCE LIMITED

Depreciation as per companies act

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK	
	As on 1 st April 2020	Additions	Deletions	As on 31 st March 2021	As on 31 st March 2020	For the year	Deletions	As on 31 st March 2021	As on 31 st March 2020
TANGIBLE ASSETS:									
Furniture and fittings	91,05,255.00	1,76,019.00	-	92,81,274.00	39,11,022.66	8,41,974.47	-	47,52,997.13	45,28,276.87
Temporary Structures	1,99,11,702.00	11,99,575.00	-	2,11,11,277.00	1,89,58,873.50	11,39,596.25	-	2,00,98,469.75	10,12,807.25
Office equipment	32,73,891.00	17,70,137.00	-	50,44,028.00	15,37,791.25	5,90,406.72	-	21,28,197.98	29,15,830.02
Electrical equipment's	61,93,567.00	13,31,102.00	-	75,24,669.00	13,33,297.97	6,23,142.07	-	19,56,440.04	55,68,228.96
Computer	4,34,44,161.00	32,41,756.00	-	4,66,85,917.00	3,41,95,082.85	49,47,427.89	-	3,91,42,510.74	75,43,406.26
Servers and networks	1,91,83,596.00	-	-	1,91,83,596.00	47,15,417.11	13,59,388.29	-	60,74,805.40	1,31,08,790.60
Vehicles	24,76,929.00	-	-	24,76,929.00	14,25,586.53	2,53,745.72	-	16,79,332.25	7,97,596.75
Total	10,35,89,101.00	77,18,589.00	-	11,13,07,690.00	6,60,77,071.87	97,55,681.41	-	7,58,32,753.28	3,54,74,936.72
INTANGIBLE ASSETS:									
Software	1,51,32,205.00	-	-	1,51,32,205.00	79,03,980.55	45,54,272.13	-	1,24,58,252.68	26,73,952.32
Total	1,51,32,205.00	-	-	1,51,32,205.00	79,03,980.55	45,54,272.13	-	1,24,58,252.68	26,73,952.32
Total	11,87,21,306.00	77,18,589.00	-	12,64,39,895.00	7,39,81,052.42	1,43,09,953.54	-	8,82,91,005.97	3,81,48,889.03

Clause 14 - Particulars of depreciation applicable as per the Income tax Act, 1961

Block of assets	Rate of Depreciation	Opening written down value 1 st April 2020	Additions made during the year			Deletion Sale of Asset	Total cost	Depreciation for the Year			WDV as on 31.03.2021
			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%	13,11,698.75	-	-	-	-	13,11,699.00	1,96,754.81	-	1,96,754.81	11,14,944.19
Furniture & Fixture	10%	58,14,366.59	1,76,019.00		1,76,019.00	-	59,90,386.00	5,81,436.66	8,800.95	5,90,237.61	54,00,148.39
Electrical Fittings, Electronic Equipment and office equipment	15%	64,66,529.33	5,12,064.00	25,89,175.00	31,01,239.00		95,67,768.00	13,58,355.65	38,404.80	13,96,760.45	81,71,007.55
Computer and Software	40%	2,15,57,081.68	30,70,680.00	1,71,076.00	32,41,756.00		2,47,98,838.00	86,91,263.07	6,14,136.00	93,05,399.07	1,54,93,438.93
Temporary Structure	40%	31,41,045.08	7,51,307.00	4,48,268.00	11,99,575.00	-	43,40,620.00	14,35,725.23	1,50,261.40	15,85,986.63	27,54,633.37
Total		3,82,90,721.43	45,10,070.00	32,08,519.00	77,18,589.00	-	4,60,09,311.00	1,22,63,535.43	8,11,603.15	1,30,75,138.58	3,29,34,172.42

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, and 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.

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% have been made on the standard assets outstanding balance as on 31st March, 2021.

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

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 & ESI Fund since February 2021.

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 FY 2019-2020, the Company is recognising the liability based on Independent actuarial valuation.

The company has registered itself under Employee state insurance during February 2021. As on 31st March 2021 for registered employees, ESI is deducted and paid for the month of February 2021 and for March 2021 amount has been deducted and outstanding provision has been made for payment.

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 and its repercussions, in view of the uncertainty of the profit for coming year and in the NPA Provision, the Deferred Tax Asset of Rs.4,90,29,682 has been reckoned to Profit and Loss Account on a conservative basis, making a closing DTA of Rs.7,64,85,239 as on 31st March 2021.

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.

Amt in Rs.

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
(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	82,43,530	92,08,670
(b) Estimated amount of contracts remaining to be executed on capital account	-	-

*As per Notice of demand under section 156 of the Income Tax Act,1961 demand computed for AY 17-18 is Nil.

**On 30-01-2021 assessment order has been received for AY 18-19 (FY 17-18). As per assessment order assessing officer has declared a refund of Rs.9,65,140 which has been adjusted against demand for AY 12-13 (FY 11-12).

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 (%)	26.78	19.66
ii	CRAR-Tier I capital (%)	26.41	19.25
iii	CRAR-Tier II capital (%)	0.37	0.41
iv	Yield on Advance (%)	19.24	19.14
v	Cost of Borrowings (%)	9.96	10.02

b) Exposures

Exposure to Real Estate Sector

Category		Current Year	Previous Year	
a)	Direct exposure	Nil	Nil	
	Residential Mortgages-	Nil	Nil	
	(i) Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (individual housing loans up to 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	

c) 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 up to 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	3,278.81	1,678.24	1,605.95	4,635.33	29,818.94	22,986.37	5,939.05	-	69,942.71
Previous year	2,178.86	2,179.25	2,104.81	5709.04	48,451.59	27,873.55	-	-	88,497.10
Market borrowings									
Current year	-	-	-	-	-	-	-	-	-
Previous year	-	-	-	-	-	-	-	-	-
Assets									
Advances									
Current year	5,306.49	3,739.38	3,729.78	11,008.44	20,798.68	41,919.36	-	-	86,502.13
Previous Year	7,438.73	5,272.49	5,180.56	14,565.93	24,445.77	51,499.67	-	-	1,08,403.10
Investments									
Current year	-	-	-	-	-	400.00	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-

d) Other disclosures as per RBI Guidelines

	Liabilities	Amount Rs. In Lakhs	Amount Rs. In Lakhs
(1)	Loans and advance availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount Outstanding (Previous Year)	Amount overdue (Previous Year)
	(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	50219.98 (49628.09)	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)	19722.73 (38869.01)	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	86502.13 (108403.14)	
	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:	Nil	Nil
	(a) Financial lease	Nil	Nil
	(b) Operating lease	Nil	Nil
	(ii) Stock on hire including hire charges under sundry debtors:	Nil	Nil
	(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 lakh)	
		2020-21	2019-20
(1)	Gross Non- Performing Assets	3873.01	2068.40
	(a) Related Parties	NIL	NIL
	(b) Other than related parties	3873.01	2068.40
(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

The disclosures as required under RBI Notification No. RBI/2019-20/220/DOR No.BP. BC.63/21.04.048/2019-20 dated April 17,2020 on Regulatory package - Asset classification and provisioning are as follows :

S.No	Particulars	Period Ended 31.03.2021
1	Respective accounts in SMA /Overdue categories, where the moratorium/ deferment was extended	259.00
2	Respective amount where asset classification benefit is extended	259.00
3	Provisions made during the Q4 (FY 19-20) and Q1 (FY 20-21)	25.90
4	Provision adjusted during the respective accounting periods against slippages and the residual provisions	25.90
5	Residual Provision	Nil

e) Related Party Disclosure:

Key Management personnel:

Smt. R S Isabella (Managing Director)

Shri. N. Balasubramanian (Whole-time Director) – upto 31.03.2021

Shri.V.Balasubramanian (CFO) – upto 30.04.2021

Smt.Lakshmi Raghupathy (CS) – upto 09.04.2021

Persons having significant influence:

Repco Bank Limited

Repco Home Finance Limited

(Amount in Lakh)

Nature of Transactions	Key Management Personnel		Persons having significant influence			
	Director		Repco Bank		Repco Home Finance Limited	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Share Capital						
Equity Shares	-	-	4720.00	4720.00	2200.00	2200.00
Share Application Money Pending Allotment**			2040.00	-	-	-
Balance in savings Bank account maintained with the promoter	-	-	-	-	-	-
Balance in SODL/Cash Credit account maintained with the promoter	-	-	19722.73	38869.01	-	-
Unsecured Loans availed from the promoter/ Balance outstanding	-	-	362.23	866.82	-	-
Secured Loans availed from the promoter/ Balance outstanding	-	-	24977.99	18823.42	-	-
Remuneration	-	-	-	-	-	-
Rent Reimbursement	-	-	16.69	16.23		
Remuneration to Managing Director	*2.46	*2.46	-	-	-	-
Remuneration to Whole Time Director (Sri. N. Balasubramanian)	*24.58	*26.93	-	-	-	-
Remuneration to CFO (Sri. V. Balasubramanian)	9.79	9.37	-	-	-	-
Remuneration to CS (Smt. Lakshmi Raghupathy)	9.62	8.63	-	-	-	-
Reimbursement of establishment cost	-	-	-	-	-	-
Interest Income received from the Repco Bank						
-Savings Bank	-	-	-	-	-	-

Interest paid to Repco Bank						-	-
- Secured Overdraft limit	-	-	2677.58	3725.76	-	-	-
- Term Loans	-	-	1924.14	1480.24	-	-	-

*Excluding GST

** The company during the year has received Rs. 2040.00 lakh as advance towards share application money from Repco Bank.

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

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 01.04.2020	3
No of complaints received during the year	7
No of complaints redressed during the year	7
No of complaints pending as on 31.03.2021	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 2021	As at 31 March 2020
Commercial paper	NA	NA
Working Capital Facility (Cash Credit/WCDL) Short term facilities	CRISIL A3+	CRISIL A3+
Long-Term bank facilities	ICRA - 'BBB'	ICRA - 'BBB'
	CARE - 'BBB+'	CARE - 'BBB+'
Long-Term Non-Convertible Debentures	NA	NA
MFI Grading	CARE - 'MFI2'	CARE - 'MFI2'
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	1795.31	1143.63
Other Provision and Contingencies (On account of COVID-19)	-12.95	12.95
Provision for Standard Assets	-94.82	79.19
Provision for Other Contingencies	4.56	3.64

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

Particulars	As at 31 March 2021	As at 31 March 2020
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 2021, the Company has provided loans to 3.54 lakh 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, 2021

S. No	Sector	Percentage of NPAs to Total Advances in that sector as on 31-Mar-21	Percentage of NPAs to Total Advances in that sector as on 31-Mar-20
1	Agriculture & allied activities	1.28	0.13
2	Retail	0.41	0.60
3	Other loans	2.79	1.18
	Total	4.48%	1.91%

G. Movement of NPA:

Particulars	As at 31 March 2021 (Rs. In lakhs)	As at 31 March 2020 (Rs. In Lakhs)
(i) Net NPAs to Net Advances (%)	NIL	NIL
(ii) Movement of NPAs (Gross)		
(a) Opening balance	2068.01	789.91
(b) Additions during the year	2298.51	1465.14
(c) Reductions during the year	493.91	186.64
(d) Closing balance	3873.01	2068.01
(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)		
Opening balance (Excluding Housing loan)	2055.45	907.17
(b) Provisions made during the year	1817.56	1148.08
(c) Provision for NPA (a+b)	3873.01	2055.45
Housing loan provision made (closing Balance)	18.01	18.91
(d) Closing Balance	3891.02	2074.36

H. Earnings per Share:

Particulars	For the year ended 31/03/2021	For the year ended 31/03/2020
Profit after Tax - Rs. in Lakhs	4048.72	5410.40
Weighted Average Number of Equity Shares (Nos.)	6,92,00,000	6,92,00,000
Earnings Per Share		
Basic - in Rs.	5.85	7.82
Diluted - in Rs.	5.85	7.82
Face Value Per Share (Rs.)	10.00	10.00

I. Impact of COVID-19

Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with significant number of COVID-19 cases. Subsequently India has entered the second wave of the pandemic where the number of COVID cases have increased significantly and has resulted in re-imposition of localised lockdowns in various parts of the Country. The impact on the Company's operations and financial position, including the credit quality and requirement for provisioning, is uncertain and will depend on future steps taken by the Government/Reserve Bank of India till such time that the economic activities return to normalcy, which is highly unpredictable. The Company will continue to closely monitor any material changes to the future economic/regulatory conditions.

The Company, based on the circular issued by the Reserve Bank of India ("RBI") has granted moratorium to eligible borrowers for a period of six months i.e., from March 01, 2020 to August 31, 2020 ("Deferment Period") payment of instalments (includes principal and/or interest components). The repayment schedule for such loans as also the residual tenor will be shifted across the board by six months after the moratorium period.

The Company has charged simple interest for the moratorium period of six months. The Interest accrued during the moratorium period was accounted as income by debiting 'Interest Accrued due to Moratorium'.

The same is being collected in equal instalments for the remaining period (including the extended moratorium period) as on 31.08.2020. The interest is being remitted by borrowers along with EMI up to the repayment period.

Hon'ble Supreme Court vide order dated 23 March 2021, has stated that interim relief granted vide an interim order dated 3 September 2020 stands vacated. Accordingly, the Company has classified non-performing assets as per extant guidelines by the company's policy in line with IRAC norms.

J. CSR Activities:

The gross amount required to be spent by the company during the year 2020-2021 as CSR expenditure under section 135 of the Companies Act of 2013 is Rs. 122.14 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 2020-2021 the company has spent amount aggregating to Rs.122.20 lakh towards CSR activities:

(a) Gross amount required to be spent by the company during the year is Rs.122.14 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)	1,22,19,776	-	1,22,19,776
TOTAL	1,22,19,776	-	1,22,19,776

K. Commitments and Contingencies:

There are no Commitments and Contingencies as at 31-03-2021 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.809.74 Lakhs (Previous Year – Rs. 1,082.08 Lakhs), out of the net profit after tax for the year ended 31 March 2021 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 for Gratuity

Disclosure Tables Company: REPCO MICRO FINANCE LIMITED, Valuation Date: 31/3/2021 (Earlier Valuation considered: As on 31/3/2020)		
	12 Months	12 Months
	F.Yr. Ending	F.Yr. Ending
	31-Mar-2021	31-Mar-2020
Changes in the present value of obligation in the inter-valuation period	In Rupees	In Rupees
Liability as at the beginning of the period	9,284,246	7,000,051
Add Interest Cost:	793,466	523,887
Add Current Service Cost:	1,955,662	1,848,947
Less Benefits Paid:	(249,000)	(213,606)
Add Past Service Cost	-	-
Add Settlement Cost	-	-
Add Curtailment Cost	-	-
Actuarial gain / loss	(905,654)	124,967
Liability as at the end of the period	10,878,720	9,284,246

Changes in the Plan Assets in the inter-valuation Period	In Rupees	In Rupees
Value of Assets as at the beginning of the Period:	9,126,378	8,790,313
Add Adjustments to the Opening Balance:	-	-
Add Expected Return on Assets:	866,851	668,630
Add Contributions made:	5,616,149	-
Less Benefits Paid out of the Assets:	(249,000)	(213,606)
Actuarial gain / (loss) on Plan Assets:	16,923	(118,959)
Value of Assets as at the end of the period:	15,377,301	9,126,378

Recognition of Actuarial gain / loss as on accounting date	In Rupees	In Rupees
Actuarial gain/(loss) in inter-valuation Period: -- Obligation:	905,654	(124,967)
Actuarial (gain)/loss in inter-valuation Period: -- Plan Assets:	16,923	(118,959)
Actuarial gain/loss recognized in inter-valuation Period:	922,577	(243,926)
Unrecognized Actuarial Gain / Loss	-	-

The Amounts to be Recognized in the Balance Sheet	In Rupees	In Rupees
Present value of obligation on the accounting date:	(10,878,720)	(9,284,246)
Fair Value of Plan Assets on the accounting date:	15,377,301	9,126,378
Unrecognized Actuarial (gain) / loss	-	-
Net Asset / (liability) recognised in Balance Sheet	4,498,581	(157,868)
Unrecognized Liability	-	-

Expense to be recognized in P/L a/c	In Rupee	In Rupee
Interest Cost	793,466	523,887
Current Service Cost	1,955,662	1,848,947
Past Service Cost	-	-
Curtailment Cost (Credit)	-	-
Settlement Cost (Credit)	-	-
Expected Return on Plan Assets	(866,851)	(668,630)
Net actuarial (gain)/loss recognized	(922,577)	243,926
Expense to be recognized in P/L a/c	959,700	

Accrued Earned Leave Liability

Disclosure Tables

Valuation Date: 31/3/2021

(Earlier Valuation considered: As on 31/3/2020)

Changes in the present value of obligation in the inter-valuation period	12 Months F.Yr. Ending 31-Mar-21 In Rupees	12 Months F.Yr. Ending 31-Mar-20 In Rupees
Liability as at the beginning of the period	3,284,232	2,996,541
Add Interest Cost:	2,17,745	227,737
Add Current Service Cost:	1,663,786	151,253
Less Benefits Paid:	-	-
Add Past Service Cost	-	-
Add Settlement Cost	-	-
Add Curtailment Cost	-	-
Actuarial (gain) loss	(410,193)	(91,299)
Liability as at the end of the period	4,775,570	3,284,232

Changes in the Plan Assets in the inter-valuation Period

Recognition of Actuarial gain / loss as on accounting date	In Rupees	In Rupees
Actuarial gain/(loss) in inter-valuation Period: -- Obligation:	410,193	91,299
Actuarial (gain)/loss in inter-valuation Period: -- Plan Assets:	-	-
Actuarial gain/loss recognized in inter-valuation Period:	410,193	91,299
Unrecognized Actuarial Gain / Loss	-	-

The Amounts to be Recognized in the Balance Sheet	In Rupees	In Rupees
Present value of obligation on the accounting date:	(4,755,570)	(3,284,232)
Fair Value of Plan Assets on the accounting date:	-	-
Unrecognized Actuarial (gain) loss	-	-
Net Asset / (liability) recognised in Balance Sheet	(4,755,570)	(3,284,232)
Funded Status	(4,755,570)	(3,284,232)
Unrecognized Liability	-	-

Expense to be recognized in P&L A/c	In Rupees	In Rupees
Interest Cost	217,745	227,737
Current Service Cost	1,663,786	151,253
Past Service Cost	-	-
Curtailment Cost (Credit)	-	-
Settlement Cost (Credit)	-	-
Expected Return on Plan Assets	-	-
Net actuarial (gain)/loss recognized	(410,193)	(91,299)
Expense to be recognized in P/L a/c	1,471,338	2,87,691

Reconciliation	In Rupees	In Rupees
Net Liability as at the beginning of the accounting period:	3,284,232	2,996,541
Expenses recognized in P/L a/c	1,471,338	2,87,691
less Adjustments to last valuation Closing Balance:	-	-
less Benefits paid directly by the Company	-	-
less Contributions made to the fund	-	-
Liability recognized in the Balance Sheet as on the accounting date:	4,755,570	3,284,232
Actual Return on Plan Assets	Not Applicable	Not Applicable

Principal Actuarial Assumptions		
Interest (Discount) Rate (Liabilities)	6.93%	6.63%
Interest Rate (Rate of Return on Assets)	7.34%	7.70%
Salary escalation Rate (per annum)	5.00%	5.00%
Resignations Rate (per annum)	5.00%	5.00%
Mortality	IALM(2012-14)	IALM(2012-14)

Experience Related Adjustments	In Rupees	In Rupees
Liability Side	410,193	91,299
Asset Side	-	-

Compliance with Schedule III of Companies Act 2013	In Rupees	In Rupees
Value of Current Year Obligation:	307,593	250,837
Present Value of Non-current Year Obligation:	4,447,977	3,033,395
Expected Additions to the Asset in the Current Year:	-	-
Net Current Year Obligation:	(307,593)	(250,837)

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

P.R. Krishnamurthy
Partner
Membership No: 012622

A. G. Venkatachalam
Director
DIN No: 05289154

R.S.Isabella
Managing Director
DIN No: 06871120

Place: Chennai
Date: 23.06.2021

P. Senthil Kumar
Chief Financial Officer

S. Yoganandhan
Company Secretary
Membership No: 39752

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that 14th Annual General Meeting of Repco Micro Finance Limited will be held on Wednesday, 15th September, 2021 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, 2021, 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, 2021.
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 Smt. R.S Isabella as Managing Director.

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 guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the members of the Company be and is hereby accorded to the re-appointment of Smt.R.S.Isabella (DIN: 06871120) as Managing Director of the company for a period of five years w.e.f May 21, 2021 to May 20, 2026 on remuneration of Rs.20,582 per month with taxes and the remuneration shall be paid to Repco Bank as reimbursement and she shall have the right to manage the day-today business and affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company;

RESOLVED FURTHER THAT Shri. A.G. Venkatachalam, Whole Time Director (DIN - 05289154) or Company Secretary or Chief Financial Officer of the Company be and is/are hereby severally authorized to sign the aforesaid notice, and file necessary form with the Registrar of Companies, Chennai and other statutory authorities .

5. Appointment of Shri. A G Venkatachalam 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 the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, consent of the Members be and is hereby accorded for the appointment of Shri. A. G. Venkatachalam (DIN: 05289154), as Whole-time director of the Company for a period of three years with effect from

01 April 2021 to 31 March 2024, on the remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of appointment) on such terms and conditions as set out below with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and payment of remuneration not exceeding the limits set out in Schedule V from time to time or any amendments thereto or any re-enactment thereof agreed between the Board of Directors.

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.

RESOLVED FURTHER THAT Smt. R.S. Isabella, Managing Director (DIN-06871120) or Company Secretary or Chief Financial Officer of the Company be and is/are hereby severally authorized to sign the aforesaid notice, and file necessary form with the Registrar of Companies, Chennai and other statutory authorities.

6. Re-appointment of Shri. V. Dasaraty as Independent Director of the Company.

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

RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri. V. Dasaraty (DIN: 08190101), who was appointed as an Independent Director and who holds office of Independent Director up to 06 August 2021 being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company w.e.f 07 August 2021.

RESOLVED FURTHER THAT Smt. R.S. Isabella, Managing Director (DIN-06871120) or Shri. A.G. Venkatachalam, Whole Time Director (DIN - 05289154) or Company Secretary or Chief Financial Officer of the Company be and is/are hereby severally authorized to sign the aforesaid notice, and file necessary form with the Registrar of Companies, Chennai and other statutory authorities.

7. Appointment of statutory auditors.

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

RESOLVED THAT pursuant to sub-section (8) of section 139 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), and subject to shareholders approval at a general meeting to be convened within three months M/s. Rajagopal & Badri Narayanan, Chartered Accountants, (Firm Registration No. 003024S), be and are hereby appointed as statutory auditors of the company for a period of 3 years from the financial year 2021-2022 till 2023-2024 to fill the casual vacancy caused due to resignation of M/s. P.B. Vijayaraghavan & Co, Chartered Accountants, FRN 004721S, and they shall hold office until the conclusion of the annual general meeting for the financial year 2024 at the remuneration as determined by the board.

RESOLVED FURTHER THAT M/s. Rajagopal & Badri Narayanan, Chartered Accountants, be and are hereby authorised to hold office to audit the financial accounts of the company for the financial year ended 2021-2022 on a remuneration of Rs. 5,50,000/- towards statutory audit, Rs. 75,000/- towards quarterly review and Rs. 3,50,000/- towards Ind-As audit, exclusive of taxes and out of pocket expenses.

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby severally authorized to sign, execute all such documents and do all such acts, deeds and things which may be necessary to bring into effect the above resolution.”

RESOLVED FURTHER THAT Shri. A.G. Venkatachalam, Whole Time Director of the Company or Company Secretary or Chief Financial Officer of the Company be and is hereby severally authorized to make all filings under Companies Act, 2013 and all regulatory authorities including certified true copy of the resolution to be given as and when required.

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

Date: 04-08-2021

Place: Chennai.

A.G. Venkatachalam

Whole Time Director

(DIN No. 05289154)

NOTES:-

- a) An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the Meeting under Item No. 4, 5, 6 & 7 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 31 March, 2021.
- 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 the Managing Director:

Smt. R.S. Isabella, Managing Director of Repco Bank, has an outstanding academic record to her credit. She is a State Rank Holder in Higher Secondary Examinations and a Gold Medalist in B.Com and holding a Masters' Degree in Bank Management (MBM) and a Masters' Degree in Business Administration (MBA) from reputed institutions. She is also a Certified Associate of Indian Institute of Bankers. She started her career in Karur Vysya Bank as an Officer and has worked in various capacities in almost all key operational segments of Banking and specializing as a Credit Officer.

She joined Repco Bank in the year 1999 and has handled important portfolios such as Credit, Information Technology, Accounts and Audit, Pension, Repatriates Rehabilitation and Human Resource Training. She was instrumental in introduction of Loan Origination System, online processing and sanction of credit proposals and establishment of Disaster Recovery Centre for the Bank's IT Operations and introduction of Redundancy Leased Line for all branches. She is an active member of Credit Committee, Investment Committee, IT Steering Committee, Asset Liability Committee, Settlement Advisory Committee etc., She has a rich experience in banking for more than 2 decades and instrumental in formulation of policies and implementation of systems and procedures in key functional areas.

She is the Chairperson of both Repatriates Welfare Trust and Repco Foundation for Micro Credit.

Smt. R.S Isabella is also a non-executive director on the Boards of Repco Home Finance Limited.

A broad particular of the terms of appointment of and remuneration payable to Smt. R.S Isabella is as under:

- a) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide the provision contained in section 156 of the Act with regard to duties of Directors.
- b) Remuneration: Rs. 20,582/- per month with taxes (Will be paid to Repco Bank directly as reimbursement)

The above may be treated as a written memorandum setting out the terms of re-appointment of Smt. R. S. Isabella under section 190 of the Companies Act, 2013. The board therefore recommends the resolution for your approval.

Except Smt. R.S Isabella, none of the directors and Key Managerial Personnel of the Company and their relatives are concerned in the said resolution.

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

Item No. 5.

Brief Profile of Shri. A.G. Venkatachalam:

Shri. A.G. Venkatachalam aged 53, is the General Manager of Repco Bank and deputed as Whole Time Director of Repco Micro Finance Limited we.f. 01 April, 2021. He started his career with Repco Bank in the year 1991. He has 3 decades of rich experience in banking under various capacities. By qualification, he holds Bachelor Degree in science and law, MBA and also Master's degree in Arts. He has completed Diploma in AML, KYC and Micro Finance and also holds professional Degree of CAIIB.

He has good knowledge in Banking and has worked in different branches.

He had previously served on the Board of our Company for almost 5 years between 2013 and 2017 and under his management, Company had progressed well and micro finance business had grown remarkably. He is also on the Board of Repco Foundation for Micro Credit and headed as associate director for the period 2012 to 2017.

Broad particulars, terms of appointment and the remuneration payable are detailed hereunder.

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. 30,00,000/- (Rupees Thirty Lakh only) per annum as reimbursement to the bank. The performance incentive and ex-gratia will be paid to him directly by the Company. 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 and reimbursed by the Company
- 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.

Disclosure of Interest:

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

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

Item No. 6

Shri. V. Dasaraty [DIN: 08190101] was appointed as an Independent Director of the Company for a period of three years up to August 07, 2021, pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. He will hold office as Independent Director of the Company up to 07 August 2021 (“first term” in line with the explanation to Sections 149(10) and 149(11) of the Act).

Details of profile of the director and justification for continuation of the directorship of pursuant to the provisions of Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India whose re-appointment as Independent Director is proposed at Item Nos. 6 is provided below.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of up to five years, on passing of a special resolution by shareholders. The Company has received form DIR-8 from Mr. V. Dasaraty, that he is not disqualified from being re-appointed as Director, in terms of Section 164 of the Act, he meets the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and he 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”) with his consent to continue as an Independent Director.

Justification for re-appointment of Shri. V. Dasaraty

The Nomination & Remuneration Committee after taking into account the performance evaluation of the Independent Director, during his first term of three years and considering the knowledge, acumen, expertise and experience in his field and the substantial contribution made by the him during his tenure as an Independent Director since his appointment, has recommended to the Board that continued association of the Director as an Independent Director would be in the interest of the Company. Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of the Director as Independent Director on the Board of the Company, to hold office for a second term of five consecutive years commencing from 07 August, 2021 to 06 August, 2026 and not liable to retire by rotation.

The Nomination and Remuneration Committee of the Board of Directors on the basis of the report of performance evaluation of Independent Director, considers that, given their background and experience and contribution made by him during his tenure, the continued association of Mr. V. Dasaraty would be beneficial to the Company and it is desirable to continue to avail his service as Independent Director.

Accordingly, it is proposed to re-appoint Shri. V. Dasaraty as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company from 07 August, 2021.

Requisite Notice from a member under Section 160 of the Companies Act, 2013 (‘the Act’) proposing the re-appointment of Shri . V. Dasaraty has been received by the Company, and consent has been received from Shri . V. Dasaraty pursuant to Section 152 of the Act.

In the opinion of the Board, Shri. V. Dasaraty fulfilled the conditions for appointment as Independent Director as specified in the Act and RBI on independent of the management.

BRIEF PROFILE OF DIRECTORS SEEKING RE-APPOINTMENT

Shri . V. Dasaraty, aged 54, is a Chartered Accountant by profession and is having more than 32 years of rich experience in the field of accounting and taxation. Presently he is senior partner of M/s. Venkatesh & Co, a Chartered Accountant Firm since 1986. He started his career as an auditor and moved on to Tax Advisory. He has in-depth knowledge in International Tax, Transfer Pricing, Indian Income Tax and Regulatory matters specializing across industrial sectors. As a partner of the firm, he has audited books of accounts of various renowned companies such as Empee Group, NPCI, LIC of India, Canara Bank, LIC Housing Finance Limited, Indian Bank, South Indian Bank etc. He has expertise knowledge in devising strategy, corporate restructuring, acquisition and outbound structuring, financial structuring, divestment advisory, inbound advisory, tax due diligence, promoter stake enhancement.

Shri. V Dasaraty 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.

Copy of draft letters of appointment of Shri. V Dasaraty setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Director is not holding any shares in the Company.

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

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

Disclosure of Interest:

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

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

Item No.7

As envisaged by the section 139(8) of the Companies Act, 2013 (“Act”) casual vacancy caused by the resignation of auditors can only be filled by the Company in the general meeting. Board recommends that M/s. Rajagopal & Badri Narayanan, Chartered Accountants, (Firm Registration No. 003024S) be appointed as Statutory Auditors of the Company to fill the casual vacancy caused due to inability conveyed by M/s. P.B. Vijayaraghavan & Co., Chartered Accountants, FRN 004721S due to the term fixed for statutory auditors in the said RBI guidelines dated 26 April, 2021.

M/s. P.B. Vijayaraghavan & Co., Chartered Accountants was appointed as statutory auditor of the Company for a period of 5 years, upto the conclusion of the Annual General Meeting to be held for the financial year 2021-2022. As per Reserve bank of India guidelines on appointment

of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) dated 26 April, 2021 the existing auditor has completed 4 years as statutory auditors.

Therefore, the tenure of the existing auditor would opt for cooling period as per RBI guidelines upon conclusion of this Annual General Meeting and the new auditor would hold the office for a period of three years until the conclusion of the Annual General Meeting to be held for the Financial Year 2023-2024.

Further, the maximum tenor for an auditor to be appointed by the company would not exceed 3 years as per guidelines on appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) dated 26 April, 2021. The same tenor of 3 years was recommended by the Audit Committee and approved by the Board.

M/s. Rajagopal & Badri Narayanan, Chartered Accountants., (Firm Registration No. 003024S) have conveyed their consent and eligibility to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under Companies Act, 2013 and RBI guidelines by fulfilling the eligibility criteria every year.

No directors, Key Managerial Personnel and their relatives are concerned and interested in the aforesaid resolution except to the extent of their shareholding and managerial interest in the Company.

Your Directors recommend the passing of the aforesaid resolution as an ordinary resolution.

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

Date: 04-08-2021
Place: Chennai.

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

ATTENDANCE SLIP

REPCO MICRO FINANCE LIMITED

CIN - U74900TN2007PLCO64126

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

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

Website: www.repcomicrofin.co.in

14th ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the 14th Annual General Meeting of the Company held on Wednesday, the 15 September, 2021 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]

FOURTEENTH ANNUAL GENERAL MEETING

Name of the member(s): _____

Registered Address: _____

Email id: _____

Folio No.: _____

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

1. Name: _____
 Address: _____
 Email Id: _____
 Signature: _____, or failing him/her

2. Name: _____
 Address: _____
 Email Id: _____
 Signature: _____, or failing him/her

As my / our proxy to attend and vote (on a poll) for me / us and on my/ our behalf at the Fourteenth Annual General Meeting of the Company, to be held on Wednesday, September 15, 2021 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:

Sl. 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 31 st March, 2021, the Reports of Directors and Auditor's thereon.		
2	To declare dividend on Equity Shares for the FY 2020-21		
3	To appoint a Director in the place of Shri.P. Mahalingam, who retires by rotation and eligible, offer himself for re-appointment.		

	Special Business		
4	Re-appointment of Smt. R.S Isabella as Managing Director.		
5	Appointment of Shri. A G Venkatachalam as Whole-Time Director of the Company.		
6	Re-appointment of Shri. V. Dasaraty as Independent Director of the Company.		
7	Appointment of statutory auditors.		

Signed this..... Day of, 2021

Signature of Shareholder: _____ Affix Revenue Stamp

Signature of First Proxy holder

Signature of Second Proxy holder

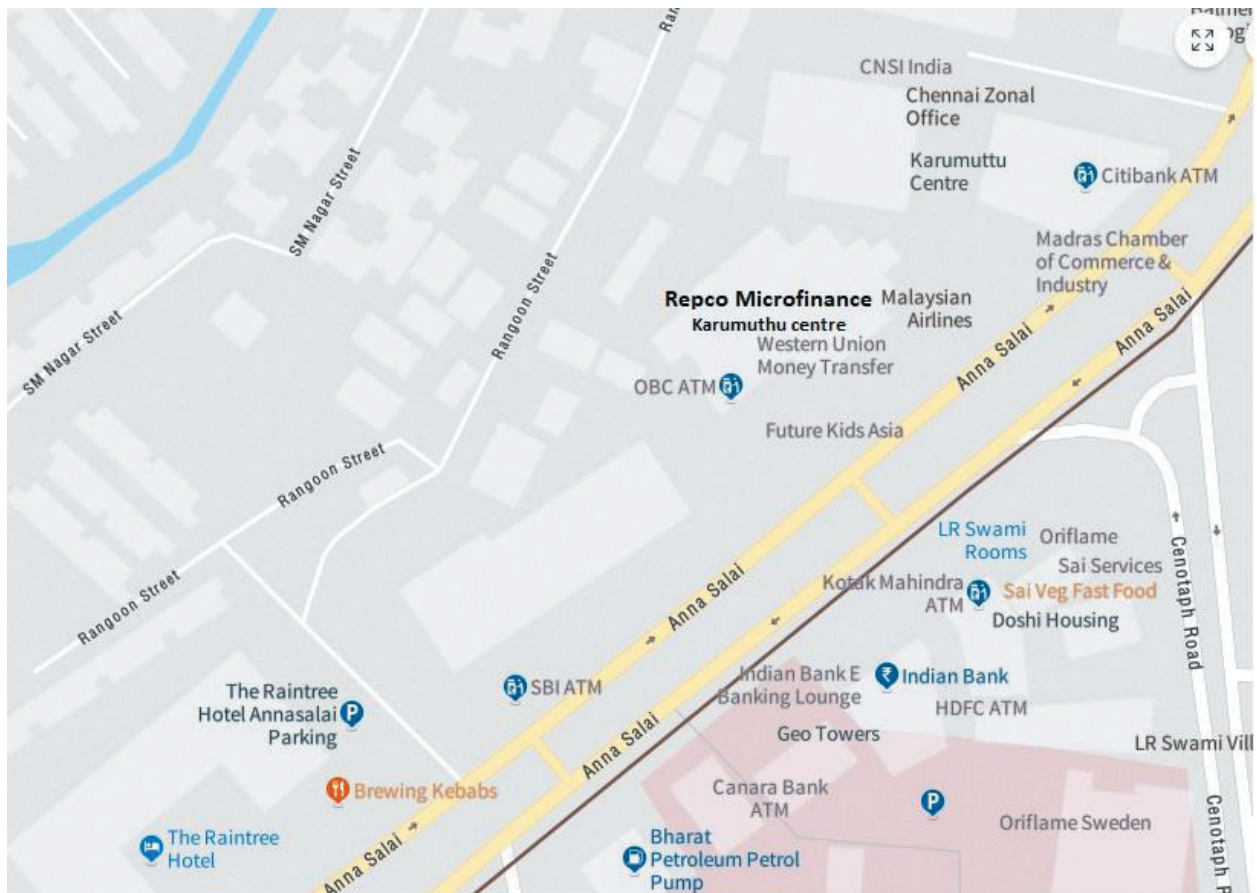
NOTE:

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 14th Annual General Meeting of the Company

AGM Venue:

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



LIST OF BRANCHES AS ON 31-03-2021

S.No.	Branch Name	S.No.	Branch Name	S.No.	Branch Name
1	ADAYAR	32	MANNARGUDI	63	SATHANKULAM
2	ARAKKONAM	33	MAYILADUTHURAI	64	SEMBANAR KOIL
3	ARANTHANGI	34	MELUR	65	SIRKALI
4	ARIYALUR	35	METTUPALAYAM	66	SIVAGANGAI
5	ATTUR	36	MUSIRI	67	T.NAGAR
6	AVADI	37	NAGAPATTINAM	68	TAMBARAM
7	CHENGALPATTU	38	NAGERCOIL	69	TANJORE
8	COIMBATORE	39	NAMAKKAL	70	TENKASI
9	COONOR	40	NATHAM	71	THENI
10	CUDDALORE	41	OOTY	72	THIRUPPUR
11	DEVAKOTTAI	42	PADI	73	THIRUVALLUR
12	DHARAPURAM	43	PALANI	74	THIRUVANNAMALAI
13	DHARMAPURI	44	PALLAVARAM	75	THIRUVOTTIYUR
14	DINDIGUL	45	PANDHALUR	76	THOOTHUKUDI
15	ENNORE	46	PATTUKOTTAI	77	THUDIYALUR
16	ERODE	47	PERAMBALUR	78	THURAIYUR
17	GOBICHETTIPALAYAM	48	PERUNGUDI	79	TINDIVANAM
18	GUDULAR	49	POLLACHI	80	TIRUCHENGODE
19	HOSUR	50	POONTHOTTAM	81	TIRUKKOVILUR
20	KANCHEEPURAM	51	PORUR	82	TIRUNELVELI
21	KARAIKUDI	52	PUDUCHERRY	83	TIRUVARUR
22	KARUR	53	PUDUKKOTTAI	84	TONDIARPET
23	KOTAGIRI	54	PURASAIWAKKAM	85	TRICHY
24	KOVILPATTI	55	PUZHAL	86	VADIPATTI
25	KOYAMBEDU	56	RAJAPALAYAM	87	VALLIOOR
26	KRISHNAGIRI	57	RAMANATHAPURAM	88	VALPARAI
27	KUMBAKONAM	58	RASIPURAM	89	VELLORE
28	MADHUKUR	59	RED HILLS	90	VILLUPURAM
29	MADURAI	60	ROYAPURAM	91	VIRUDHACHALAM
30	MANAPPARI	61	SALEM	92	VIRADHUNAGAR
31	MANNALI	62	SAMAYAPURAM	93	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