



# ANNUAL REPORT

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2021-22

**SATISFYING** Our  
Share Holders, Without  
Profiting from Poverty





## Chairman's Message

Dear Shareholders,

The financial year 2021-22 has been another extraordinary year of opportunities and learnings for the Indian financial sector, amidst ensuing challenges arising from the COVID-19 Pandemic. The interlinked nature of India's political and environmental fabric, along with the nation's growth appetite and macro-economic capacity have led to green shoots of an economic rebound.

The year began amidst the second wave of the COVID-19 pandemic. While the country refrained from a repeat of the life-threatening wave witnessed a year earlier, the second wave was far more harmful than when the virus first hit India. There were restrictions on mobility and lockdowns were intermittent as well as localized. The virus had begun to take a toll on populations across tier-II and tier-III towns as well; many cities and towns reported an acute shortage of hospital beds and high flow oxygen. As a result, the first quarter witnessed chaos, uncertainty, and a dip in economic activity.

However, the second and the third quarters witnessed a gradual growth in economic activity, driven by sales related to the festive season. The Government of India, along with the Reserve Bank of India, continue to provide opportunities to restore normalcy for millions of customers served by the Indian financial inclusion industry.

The Reserve Bank of India, in March 2022, released a revised Regulatory Framework for Microfinance Loans. Some of the key aspects addressed by these new guidelines are to focus on better client credit to ensure that clients are not over indebted and are

served adequately. The other important aspect is removing the margin caps and deregulating pricing. As per the new guidelines, the pricing framework is to be decided by a company's Board leading to implementation of risk-based pricing, providing the necessary fillip to innovation and wider coverage of hitherto unserved parts of the populace. It is a change in basic assumptions and will usher in a new era for the sector.

The Company registered a strong performance in 2021-22. From an operational perspective, the Company has taken important strides which promise to make its profitable growth sustainable.

The Company has extended its branch network further in the 3 states that it operates in with total number of branches as of Mar 22 being 67 as against 59 as of Mar 21.

The Company maintained sufficient liquidity as on March 31, 2022, along with a strong balance sheet. Its Gross NPA stood at 1.33%, with adequate provisioning of 2.12%. It maintains a strong capital base with a capital adequacy ratio of 21.24%, which is well above regulatory requirements.

Throughout the year, the Company was cautious in loan disbursements and strategically focused on disbursing loans to existing customers with a regular track record of repayment in order to ensure a healthy portfolio. Disbursals during the year were INR 141.87 Crores as compared to INR 80.84 Crores during the previous year. The Company's consolidated Assets Under Management stood at INR 190.78 Crores as on March 31, 2022.



*"Change is the end result of all true learning"*

*- Leo Buscaglia*

IDFFSPL, has proactively reimagined and upgraded its operational processes, aided by efficient use of technology, in response to the evolving new normal.

While being 100% cashless in its disbursement process since 2018, IDFFPSL is also steadily tuning its customers onto a cashless repayment structure. This enables customers to repay their EMIs through various digital payment gateways in the vicinity of her home, her centre or her workplace. We are committed towards furthering cashless repayment for our customers, and we will continue to pave the way towards 100% cashless repayments for all our customers in the near future.

Going forward, our focus on key strategic initiatives being pursued, along with investments in technology, building newer capabilities, network and people will help us deepen our customer relationships, expand our addressable market, and power growth in the years ahead.

In closing, I would like to thank my colleagues on the Board for their invaluable guidance in contouring the long-term blueprint of the Company, the leadership team for their patience, perseverance discipline, dedication, and determination in elevating the position of the Company in our business space with each passing year.

I also take the opportunity to thank our debt providers, vendors and all other stakeholders for believing in us and supporting us in our journey thus far.

  
**(Vivekanand N. Salimath)**  
Chairman

## Message from Managing Director



**“Patience and Persistence are the key to Progression”**

**- Tim Fargo**

CLOSER to the end of the year 2020 we were all hoping that the unforeseen misery unleashed by nature on its people, on the economy, would cease with the rising sun of a new year. But all those hopes were belied by the COVID-19 Pandemic as it showed no respite in terms of impact or intensity in its Second wave.

FY22 started with a much deadlier Covid wave which was fast spreading and increasingly fatal. The overall impact on human lives was far more than we had ever experienced in our lives. Wave 2 took with it many precious lives, destroyed many more families and bludgeoned many established enterprises across the world - almost irreparably. My heart goes out to all the families who have lost their loved ones during this health crisis.

However, amongst these unprecedented challenges over the last two years, two very strong virtues that the Company embodied and demonstrated were Persistence and Progression. And as has been the case always, our Company has come out stronger after every such unforeseen event be it demonetisation or the global pandemic.

In our business, where regular human interface is the core of the model- the tough lock-downs threatened to halt all our activities. Social distancing guidelines had to be mandated for people's safety. The direct impact of this was on our ability to collect instalments and disburse afresh to meet our customers' requirements while ensuring our people's health

safety as well. Covid wave 2 and the related lockdowns in early parts of 2021 were compounding the damage that 2020 had caused. It was particularly hard for our customers in rural parts as the direct impact of this was on the ability to service their existing debt repayment hence impacting their credit score and avenues to secure future funding for their livelihood activity

However, the second and the third quarters witnessed a gradual growth in economic activity, driven by sales related to the festive season. Also being seen was the positive impact of the supportive measures and packages announced by the Government in the form of the Aatmanirbhar Bharat package, Emergency Credit Line Guarantee Scheme (ECLGS), and more, the RBI had provided for an accommodative policy stance via repo rate cut, Targeted Long-Term Repo Operations (TLTRO), Special Liquidity Scheme and Partial Credit Guarantee Scheme and such.

Post September 2021, the operations of the company stabilised and it in FY 22, we added 8 new branches, our disbursement and portfolio grew by 75% and 23% respectively, while our revenue increased by 38%. Consolidated AUM touched INR 190.78 Crores.

On the operations front, our cumulative collection efficiency for Q4 2021-22 bounced back to pre-COVID levels of 99.31%. Our disbursements

have grown consistently to touch INR 1,41.87 Crores during Q4 2021-22, back at levels seen pre-COVID-19. We are working incessantly to improve our asset quality, which has been impacted due to the pandemic to provide sufficient cushioning to asset implementation. Our cumulative on-book provision stood at INR 2.89 Crores as on March 21, 2022, which was 2.12% of our on-book portfolio.

In FY 2022-23, our key focus areas will be to continue our efforts on strengthening our portfolio quality, be the best in the markets in which we operate, grow our credit portfolio outstanding with the positive RBI regulations, and complete our growth capital raise between internal and external rounds.

I wish to profusely thank our government for its focus on Financial Inclusion, the Reserve Bank of India for its progressive policies, our investors and lenders for their continued support, our esteemed Board for their guidance, 300 plus employees for their hard work and dedication and last but surely not the least our borrowers for trusting us to serve them with our products and services.

I also take the opportunity to thank our debt providers, vendors and all other stakeholders for believing in us and supporting us in our journey.

  
**(Naganagouda M Patil)**  
Managing Director



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## **Mission**

Financial empowerment of the economically underprivileged through good quality and sustainable financial services

## **Core Values**

Commitment, transparency, innovation, business ethics, exceptional teamwork

## **Objectives**

Our aim is to “Build a banking model” with a social face that is commercially viable for the poor. These include:

- Assist organizing the poor into Self Help Groups (SHGs)
- Build the capacity of Self Help Groups through Training & Non training interventions
- Help organize the SHGs into Clusters & Federation
- Facilitate Federation of SHGs to organize trainings related to Livelihood, Health & Community Development
- Assist SHG Federation to mobilize thrift from the SHGs
- Assist SHG Federation to provide Credit plus services
- Provide Credit to SHGs
- Build the capacity of SHG Federation towards participation in Governance of the Federation as well as in IDF FSPL in which the federation are the share holders.

## Section - 1

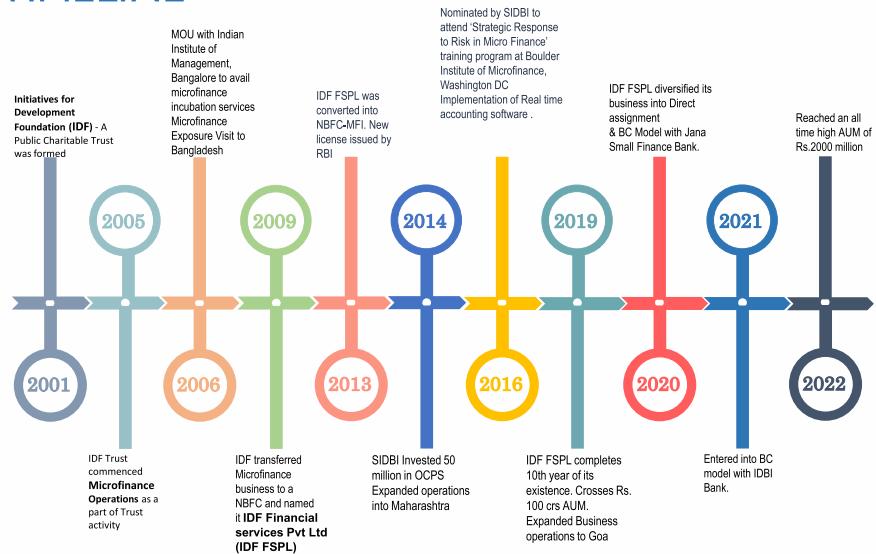
### About IDF FSPL Overview



**IDF Financial Services Pvt. Ltd. (IDF FSPL)** is a predominantly community owned Non-Banking Micro Finance Company providing short term finance to micro-Self-Help Groups (mSHGs) that it forms and nurtures with a special focus on rural and semi urban segments. IDF FSPL believes in providing quality and sustainable financial services, exclusively to women clientele and strongly believes that an economically empowered woman is a greater asset to the country.

The Company mainly focuses on organization of the poor at grassroots level through a process of social mobilization for their livelihood. Social mobilization enables the poor build their own organizations. The micro-Self-Help Groups (mSHGs) in Karnataka are organized into a Federation, helping to reach the poor faster and more effectively. The Federation participates fully

### TIMELINE



and directly and takes decisions on all issues that concern their members. And thus mSHGs have the advantage of credit, technology and market guidance assistance. The Company empowers the members through a training programme imparting financial literacy, social awareness.

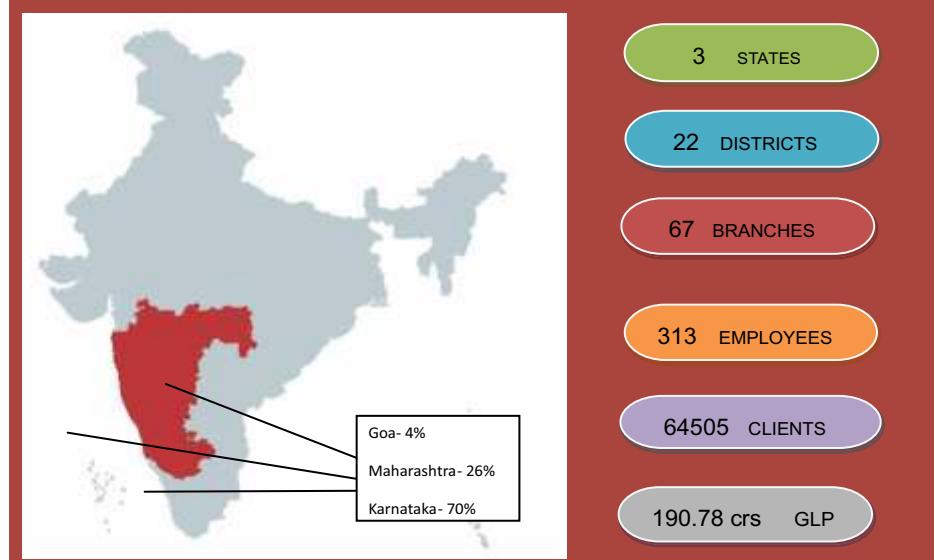
### Operational Footprint

The Company has its registered office at Bangalore, and the administrative office at Dharwad. The operations are geographically aligned to cater to 22 districts across 3 States in India viz Karnataka, Maharashtra and Goa.

The operations of the Company is headed by Head – Operations and assisted by Divisional Managers. The Divisional Managers monitors 3-4 area offices. Each area office consists of 3-5 branches. The area

offices are headed by Area Managers, who are responsible for the overall business development in the area. The Branches are headed by the Branch Manager (BM), who is assisted by 3-5 Credit Officers (CROs). Each branch is expected to handle 1500-2000 clients. More than one area Office could exist in a district depending upon the volume of Business. Each and every Area office is able to sanction loans in its jurisdictional area.

The Company has 67 branches and a Staff Strength of 313. The total no of borrowers as at 31st March 2022 is 64505 with GLP of Rs. 190.78 crores. The Company has disbursed loans under (Owned + Managed Portfolio of 96.43 crs+ 45.44 crores) amounting of Rs. 141.87 crores during the year 2021-22.



## Who We Serve

IDF FSPL believes in equality of opportunities. The organization does not discriminate between its members on the basis of caste, creed or religion.

IDF FSPL believes in women empowerment and all the loans are disbursed to women.

**The Company primarily serves low income households, both rural & urban**  
**100% Women clients**

Client-assessment includes:

- Socio-demographic characteristics
- Present and proposed activities
- Present income levels
- Group cohesiveness

## Profile of SHG Members

Characteristics	Description
Gender	Women
Annual Income	Up to Rs. 3,00,000
Education	Illiterate or semi-literate
Age	Age group 18 to 59 years
Occupation	<b>Rural Sector:</b> Farming, animal husbandry, dairy, farming, share croppers, and agri-related labor works <b>Urban Sector:</b> Petty businesses and house hold works.

### Services Offered:

- Microcredit
- Micro-insurance
- Financial education
- Livelihood service

## Work Process

The Company has an omnibus loan product which is designed to take care of the multiple needs of the clients, be it working capital for business or creation of assets for livelihood or agriculture or any other product service, apart from meeting consumption.

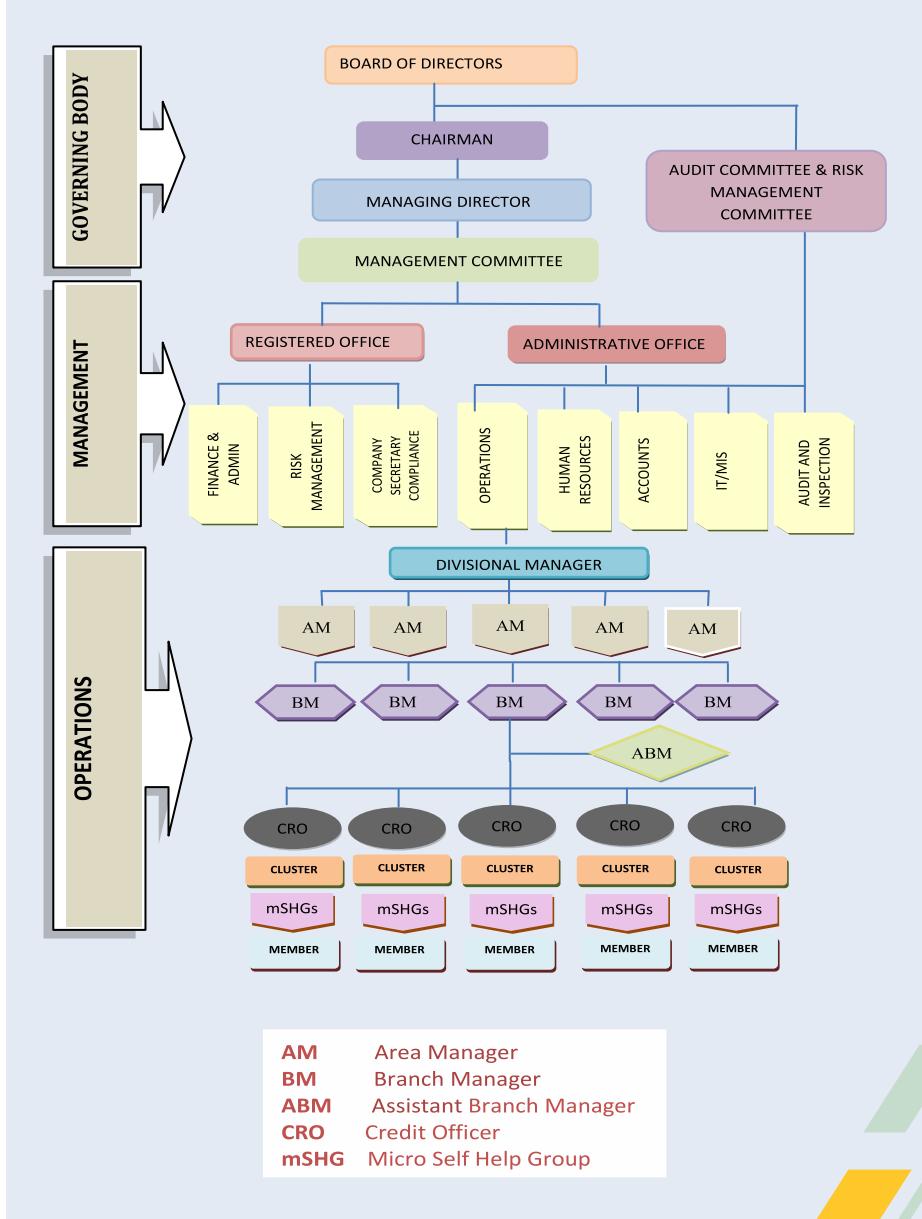
*Micro - SHGs (mSHGs) are a homogeneous group of 5 members living in close vicinity with similar economic background and a strong affinity for each other*

The company's business process first starts by organizing poor women into groups of 5 members. 5 such groups will constitute a cluster, which meets every month. The Company will implement new framework for microfinance announced by RBI with effect from May 2022.

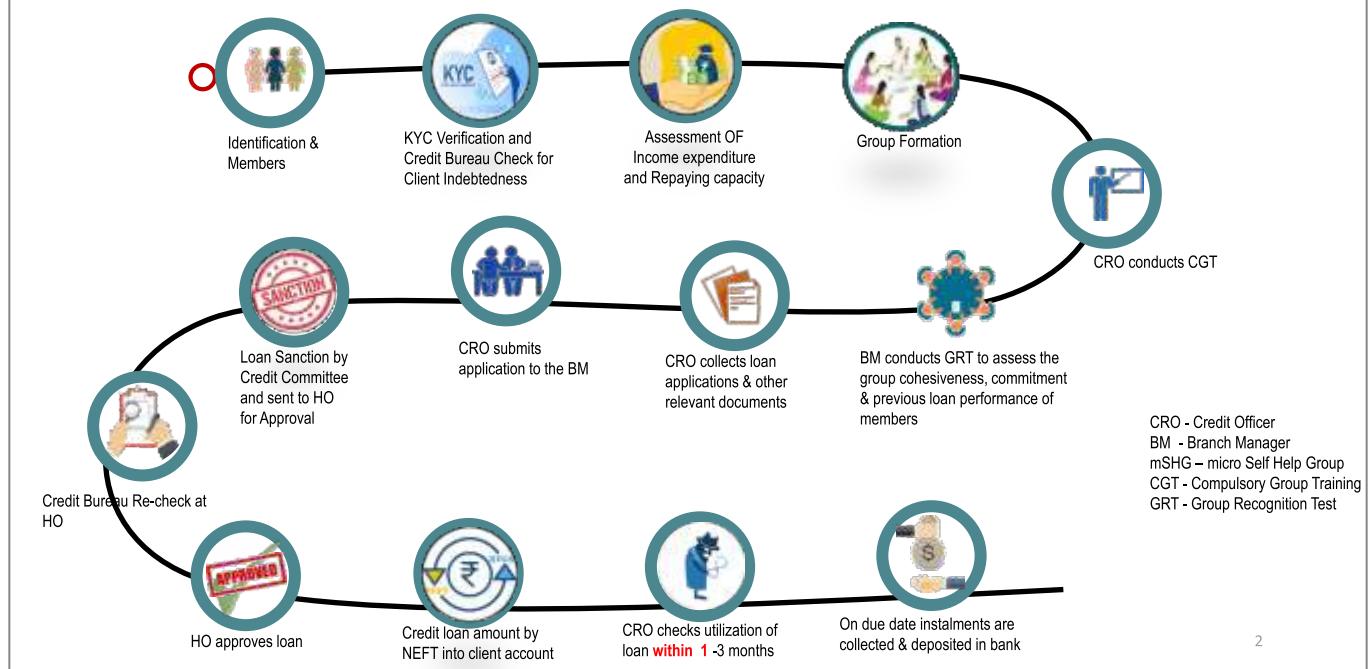
All the mSHGs are federated in to IDF SHG Federation, Dharwad. Federations are registered mutual benefit trusts aimed at socio-economic development of its members, in addition to representing the interests of mSHGs members as equity shareholders of the Company.

The Company sanctions the loans after conducting a thorough due diligence of the mSHGs. Loans are sanctioned to those mSHGs, which are successful in the Group Recognition Test (GRT) and who have a satisfactory credit history as evidenced by the credit bureau.

## Organisational Structure



# LENDING METHODOLOGY



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## Basic Lending Norms

Household Income	<ul style="list-style-type: none"> <li>Rs. 3,00,000/-</li> </ul>
Loan Amount	<ul style="list-style-type: none"> <li>Rs. 30,000- Rs. 1,25,000</li> </ul>
Tenure	<ul style="list-style-type: none"> <li>Between 12 months - 36 months</li> </ul>
Loan security	<ul style="list-style-type: none"> <li>Collateral-free</li> </ul>
Repayment	<ul style="list-style-type: none"> <li>Monthly</li> </ul>

## Group Loans

Products	Loan Size	Tenure	Rate of Interest	Processing Fee
Cycle - I	Rs. 30000 - Rs. 40000	12-24 Months	24%	1%
Cycle - II	Rs. 40000 - Rs. 60000	24-36 Months	24%	1%
Cycle - III	Rs. 60000 - Rs. 75000	24-36 Months	24%	1%
Cycle - IV & Above	Rs. 75000 - Rs. 125000	24-36 Months	24%	1%

## Individual Loans

Individual Loans (Abhyudaya)	Loan upto Rs.1,25,000	24-36 Months	ROI: 24%	PF: 1%
Interim Loans	Loan: Rs. 5,000 to Rs. 20,000	24 Months	ROI: 24%	PF: 1%

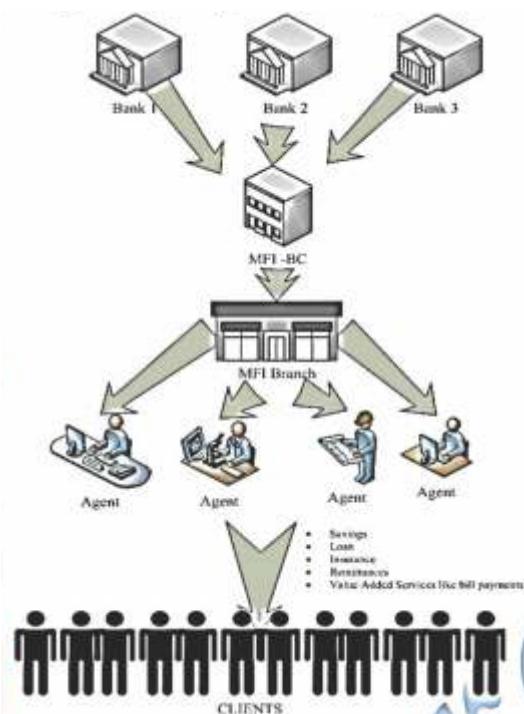
## The loans are mainly given to the following Income Generation/ Livelihood Activities

- Agri and agri allied activities like purchase of agricultural inputs, purchase of animals etc,
- Small business and trading activities to set-up petty business, Kirana shops etc
- Service activities like sewing, embroidery, beauty services, motor winding, catering services, agarbatti rolling etc.

## BC Operations

BUSINESS CORRESPONDENT PARTNERS WITH IDBI BANK AND JANA SMALL FINANCE BANK,

At present, BC business with Jana SFB and IDBI is being implemented through our 18 branches in the state of Karnataka out of total 67 branches and the outstanding managed portfolio under BC business is Rs. 54.20 crores in 14592 accounts as at 31st March 2022. We are planning to reach a BC business of Rs. 100 crs by the end of FY 2023.



## Success Stories

Tumkur city is a hub of famous educational institutions, University, Coconut business, industrial estates and is developing into smart modern city. In spite of its nearness to Bengaluru and all-round development, Tumkur city has not forgotten its many traditional cottage industries such as Basket making, Areca Leaf plates, Pottery, Broomstick, Traditional Oil Extraction units etc. The traditional cottage industries are run by specific communities earning their livelihood from these age-old business models. Most of the families living in Kyathasandra area of the city are into such traditional business activities. IDF Financial Services Pvt. Ltd is financially supporting such traditional cottage industries by providing small collateral free loans to these poor artisan families to earn their livelihood. ► ► ► ► ► ► ► ► ► ►

### Prosperity through micro Enterprise Renukamma

*"If I invest 50,000 I can earn 1,00,000 through my areca leaf plate industry"*

**Renukamma**, a woman entrepreneur from Hirehalli, a village 20 kilometres from Tumkur town said proudly that she earns from her areca leaf plate industry that she established a few years ago.

Renukamma was working as an accountant in a private industry earning a moderate salary. The working hours were long and she was unable to concentrate both family as well as work life. When once she visited a unit of areca leaf plate making in her relatives home the idea that why she should not start such a unit emerged in her thought. She started collecting information regarding how to start such a micro enterprise. But arranging finance was a challenging task. The IDF FSPL came to her rescue and encouraged her to start her enterprise by giving her a term loan of Rs. 80,000.

With this loan and her savings/hand loans she started her enterprises by purchasing 2 machines at a cost of rupees 1.80 lakhs. As her business grew, she was emboldened to add 2 more machines. Now her enterprise which she named as Veerabhadra swamy enterprises consist of 4 machines and employs 4 workers.

Areca leaf sheath is the raw material for this industry which is available in plenty in her as well as neighbouring farms. With one leaf sheath it is possible for her to make 2 leaf plates. Areca growing farmers supply her raw material at her doorstep.

Renukamma has the capacity to manufacture 1000 areca leaf plates a day. In festivals the demand could be more than 1000, for which she can work overtime and produce as much as there is demand. She confidently says that all her products are sold like hotcakes. Buyers come to her doorstep and collect the produce by paying the money. The demand for this product is unending she added.



She narrated her economics- " I usually earn Rs. 1,00,000 a month by leaf plates. My expenditure includes labour wages, cost of raw material, electricity and other overheads. Thus I earn a net income of Rs. 45,000 to Rs. 50,000 a month I lead a comfortable life keeping work life balance. The micro enterprise I run is environmental friendly and the waste is that is generated in this enterprise is easily converted into manner which improves the fertility of the land. Thus I am happy that I'm running this enterprise."

She proudly remembers IDF financial Services Private limited for providing her collateral free loan without which she could not have achieved this prosperity. She wants that all her neighbours should get engaged in such micro enterprises and get ahead in their life.

## Nandini Dinesh

The family of Nandini is into Basket making business. As there is lot of demand for baskets made out of bamboo in surrounding rural areas, they decided to expand their business with financial assistance and borrowed Rs. 20,000 from IDF Financial Services Ltd in 2016. Gradual expansion of business needed more loan which was met by IDF Financial Services Ltd with enhancement every two years. Out of the savings from the basketmaking business, the family diversified their business into Tailoring and is earning good income. The family income has increased from Rs.50,000 in 2016 to 2,40,000 now. The standard of living has improved and family is proud owner of a decent house, TV, Two-wheeler now.



## Laxmi Kumbinarasaih

The family of Laxmi Kumbinarasiah resident of Tumkur city is into Basket making using bamboo sticks which is their family business. They make varieties of baskets as per the demand and sell in the villages where there is lot of demand by farming families. The family started their association with IDF Financial Services Pvt. Ltd way

back in 2016 with a loan of Rs. 20,000. Over the years their business has improved and has now availed loan of Rs. 60,000.

Her husband has purchased a camera out of the income from basket making and has become part-time photographer. The total income of the family has increased from mere 60,000 in 2016 to 2,00,000. The family has renovated their small house and admitted their child to good school. There is a improvement in their standard of living due to financial assistance.



## Section - 2

### Leadership

#### IDF FSPL Board of Directors



**Vivekanand N. Salimath**  
Chairman

- Has experience of 23 years in Syndicate Bank in various capacities. Served the Executive Director of RUDSETI, Ujire for 8 years,
- Founder/Managing Trustee of IDF, Promoter/Director of Gramya TS Pvt Ltd (Company for marketing SHG products)
- Chairman of IDFFSPL since inception from 01.04.2009
- Member-MFI Standing Committee of RBI, Bangalore
- Ex - President, Association of Karnataka Microfinance Institutions (AKMI), Ex - Board Member NABARD-RECARD, Ex - Member Board of Directors Sa-Dhan.
- Has considerable experience in rural enterprise development and Banking.



**T V Srikantha Shenoy**  
Director

- Has experience of 19 years in Syndicate Bank, including as Founder Secretary of Syndicate Institute of Rural Development (SIRD) for 1 year and as Director of RUDSETI for 5 years on deputation.
- Founder Trustee of IDF, Promoter/ Director of Gramya TS Pvt Ltd (Company marketing SHG products).
- Has served as a Chief Mentor at Karnataka Farmers Resource Centre – an SLBC initiative.
- Director, Agricultural Skill Council of India, Delhi, a sector specific council for creating an end to end approach on skilling and linking all the stakeholders of Agriculture Value Chain.
- Director, Synergy to Solutions
- Indian representative Member in the Knowledge Programme on Small Producers Agency with HIVOS- IIED, London
- Chief promoter of sustainable farm livelihood and green technologies.



**Gururaj M Deshpande**  
Director

- Has served in Syndicate bank for nearly 3 decades in various capacities.
- Founder Trustee of IDF
- Ex Director of Women self-employment counseling cell (WSECC) sponsored by the Government of Karnataka, department of Women and Child welfare.
- Has conducted several programmes under Udyogini and other entrepreneurship activities.
- He is currently serving as the Chairperson of IDF SHG Federation Dharwad.



**R M Kummur**  
Director

- Dr Kummur is a M Sc (Agri) from University of Agriculture Sciences Bengaluru and Ph D from Indian Agriculture Research Institute New Delhi.
- Joined NABARD through campus recruitment in 1985 at one Grade above normal entry. Starting his service from NABARD HQ Mumbai, he worked at different places like Port Blair, Bengaluru, Lucknow, Chandigarh, Raipur and Mumbai again, reaching up to the position of Chief General Manager.
- His major contributions were in the areas of microfinance, FPOs, Agriculture Policy, Watershed Development, Wadi, Climate



**Naganagouda M. Patil**  
Managing Director

- Has experience of 20 years in Syndicate Bank as Rural Development Officer, Lead District Manager.
- Director, RUDSETI (5 years) on deputation.
- With IDF since 2004, has implemented Watershed Development and livelihood programmes
- In-charge of MF operations of IDF since its inception in 2005 and Managing Director of IDF FSPL since inception from 01.04.2009
- Has considerable experience in rural enterprise development and Banking.



**Kasturi Dambal**  
Director

- She is the Representative Director appointed by the Company on behalf SHG Federation, Dharwad.
- She is an SHG member who has worked up to the level of Board of Directors.
- She has been an active member in the SHG community and has the field level expertise in organizing and leading the SHGs



change, organic production, tribal development, NFS development, skill development, etc.

- He also served as Director on the Board of A&N SCB Port Blair (1998-2000) and NCDEX Mumbai(2014-2017).
- After super annuation, he is settled in Bengaluru and working as President, Agrico's Foundation for New India, a nonprofit organization, to harness the energy of retiring Agri Sciences Graduates for nation building.



**Sahadev Gangappa**  
Director

- He is in empanelment with RBI for Audit of Nationalized banks since more than 20 years. At present he is Statutory Auditors for Canara Bank Branches.
- Appointed as statutory auditors for Sri Sathya Sai Sadhana Trust, Puttaparthi, A.P & Handling Sathya Sai central trust etc.,
- Statutory Auditor for National Insurance Co., Ltd.,
- He has also served as internal auditor for many private sector undertakings and Co-operative Banks & Co-Operative Institutions
- Served on the Board many private Companies for more than 10 years.



## Committees of the Board

### Audit Committee

The Audit Committee consists of the following members of the Board:

Mr. Sahadev Gangappa - Chairman  
Mr. TV Srikantha Shenoy - Member  
Mr. Gururaj M Deshpande - Member

The Committee meets in each quarter to review the audited/un-audited financial statements, oversight of the Company's financial reporting process, reviewing of quarterly financial statements, reviewing the adequacy of internal audit function, reviewing the performance of statutory and internal auditors and adequacy of internal control systems.

This Committee is mandated to put a framework of financial accountability, control and corporate governance, which is commensurate with the size of organization and to ensure that the stipulated policy and process is followed in true letter and spirit.

The role of this Committee is to advise the Board on these matters, as well as to ensure compliance to relevant covenants. This Committee provides direction to the audit function and monitors the quality of concurrent, internal and statutory audit and monitors any other audits that have been commissioned either by the Company itself, or by other stakeholders (lenders, shareholders, regulators, government etc.) from time to time.

### Risk Management Committee

The Risk Management Committee consists of the following members of the Board:

Mr. Sahadev Gangappa - Chairman  
Mr. TV Srikantha Shenoy - Member  
Mr. Gururaj M Deshpande - Member

**Board Risk Management Committee (BRMC)** is constituted to largely oversee the Risk Management mechanism. The committee, on behalf of the Board, is responsible for framing risk policies, monitoring and reviewing the status of risks. The committee is chaired by an independent director and has one nominee director of the investors and two independent

directors. The Head of the Risk Management Department reports to the committee. BRMC meets quarterly to review, discuss and finalize risk mitigation mechanism.

**General Risk Management Policy** is approved by IDFFSPL's Board and stated in the sections below.

IDFFSPL recognizes the following categories of Risks

- Strategic and reputational risk
- Credit risk
- Liquidity risk
- Operational risk
- Market risk

It is also recognized that risks in different categories impact each other and a good risk management system takes a comprehensive view of the organization.

At the Management level a **Management Risk Committee (MRC)** of senior managers is introduced. The committee comprises of Chairman, MD and all department heads including heads of the following departments

- Field operations
- Finance
- Human Resources
- Administration / Accounts
- Statutory and legal compliance
- IT and MIS
- Internal Audit
- Risk Management

MRC is responsible for the daily management of risks within the framework defined by the General Risk Management Policy. MRC meets on periodic basis to discuss all the aspects of risk within the institution. The Chair of the MRC rotates among the Chairman, MD and Head Audit.

**Key Risk Indicators** for each department is discussed and finalized with upper or lower limit accordingly.

**A reporting structure** for each department is established that captures key risk indicators and other current or futuristic risks in the best possible manner. The consolidated report is presented to BRMC for review on quarterly basis.

## Section - 3

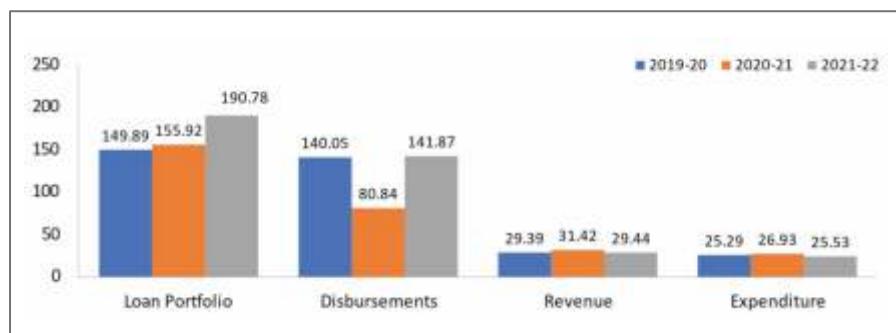
### Results and Performance



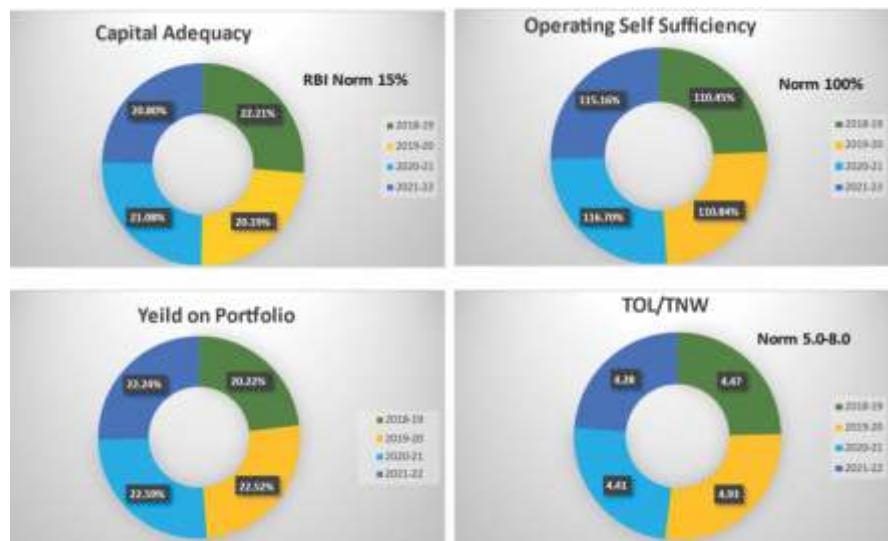
#### Key Accomplishments Of Year 2021-22



#### IDF FSPL- Results and Performance (Rs in Crores)

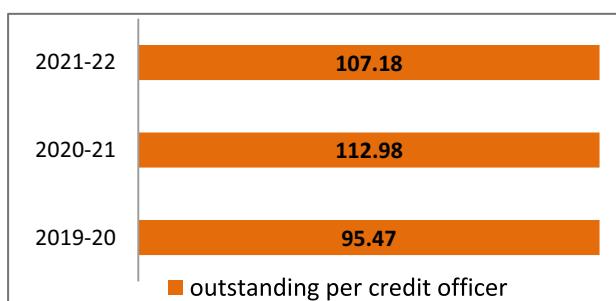


#### Financial Performance

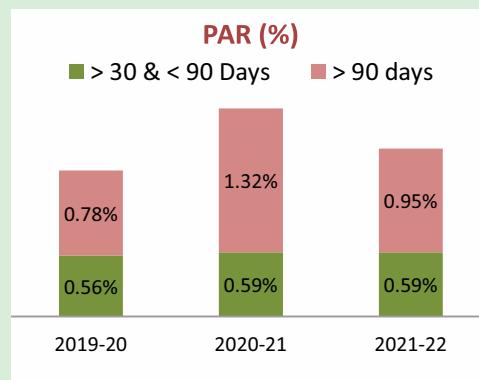
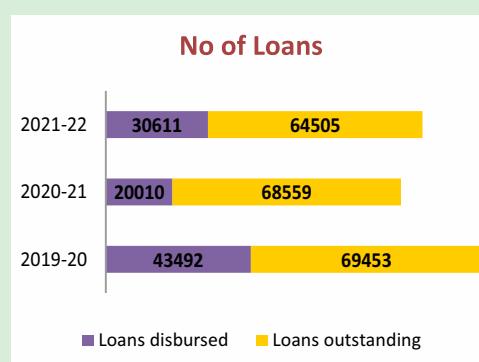
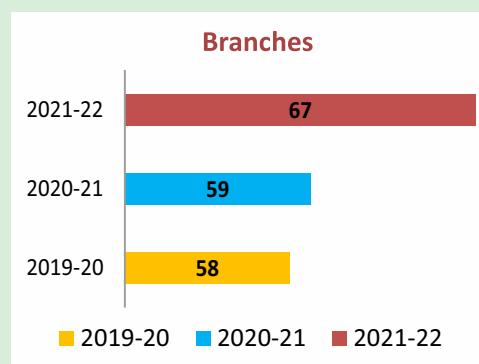


#### Productivity

##### Outstanding per credit officer (Amt In Lakhs)



#### Operational Performance



## Section - 4

### Organisational Development

#### Human Resource Development

Employees are integral part of company's mission; the company builds valuable workforce and workforce in turn builds the business. We at IDFFSPL, conceive that employee retention, talent acquisition and recognition is significant for an organization. We are committed in establishing a conducive work environment for our employees without compromising on the business ethics and policies of our organization. The Company strives in providing opportunities to its employees to develop their leadership skills and professionalism.

The Company believes in rewarding its employees and recognizing their performance by formulating compensation policies and reviewing accordingly with the Industrial Standards. The Company believes in providing the employees an opportunity to hone their skill by training internally and externally at regular intervals. The policies of the company are malleable for employees aiming towards lateral direction for overall exposure towards their career growth. The Cultural tolerance of our organization as a whole has enabled the employees of our Company an opportunity to articulate their feelings and unleash their hidden talents.

As on 31/March/2022, the no of employees was 313.

#### Compensation and Benefits

We at IDFFSPL commensurate employees based on their skill and performance which is in line with Industry standards. The Compensation and incentive policies are formulated, reviewed at regular intervals to enable the employees to claim the benefits and ensure that they are recognized and rewarded accurately. All our employees are entitled to gratuity, provident fund and Bonus. We also provide life insurance cover for all our Employees under Employees State Insurance Scheme.

#### Training

Training and Development of the skills of the employees is very critical for an organization in order to survive and sustain the changes in business environment. The HR Department ensures that training is imparted to all the employees as part of the development activities and prepare them for their next level in the organization.

Training is a vital part of the organization, as it enables the employees to update their skill and to perform more efficiently. Our Company provides induction training by creating an awareness of the company's vision and mission to the new joiners. IDFFSPL provides on the job training to the staff members, as it enables them to understand and acquaint themselves with company's policies, processes, functioning mechanism etc. IDFFSPL conducts training programme for the employees in regular intervals relating to changes in the RBI, microfinance and operational guidelines.

#### Audit Department

IDFFSPL has built a developed Audit system in place over the years which are in adherence to the Company's policies, procedures. The internal audit at the administrative office has established a proper reporting mechanism of the audits carried out at the regional, branch level offices. A strong mechanism has been put into place by the Audit department which ensures that all critical issues are addressed within the time-lines and are tracked by the audit department until closure of the branch reporting.

The internal audit department ensures cross-checks, fraud case investigations and fixed asset verification. The Audit department reports its findings, recommendation to the Audit Committee at regular intervals. The approval, suggestions, recommendations of the Audit committee is sought before recommending to the Board of Directors.

#### Risk Department

The Company has developed an appropriate risk management system by formulating policies, procedures that strike balance between the risk and return. The Company has adapted risk appetite limits in line with the industry standards for monitoring the quantum of risk involved. The System developed is driven by the Board of Directors and the Management by a two-tier system which comprises of Board risk management committee & Management risk committee. The Management risk committee assess the internal and external risk factors namely the staff attrition, target achieved, Branch supervision, Operation risk, liquid risk and other external factors influencing the business of the Company. The Board Risk Management committee reviews the policies and strategies in relation to the operation, liquid risk limits from time to time and ensures the compliance matters are adhered to by the Company. The two-tier system provides for monitoring the risk levels at the right time to avoid major crisis.

#### Information Technology

IDFFSPL believes in leveraging efficiently from its present IT ecosystem and enhance its capabilities by transforming into 100% Digitalized mode. The Company embraces new technology required for the organization by collaborating with the IT partners who in turn design, create, update the IT system as per the requirements of our business needs.

The Company has adapted the BIJLI software which has integrated the flow of information across all the levels and has enabled data accessible at all regions (Administrative office, Registered office, Branch Level) without any ambiguity.

In order to encourage online repayment of EMIs by our clients, we have associated with IFDC First Bank Ltd for digital collection system.



## Section - 5

### Social initiatives for clients, employees and society



#### I. Flood Relief Measures

During 2021-22 Belgaum district was hit by flash floods in Malaprabha, Ghataprabha, Krishna rivers and their tributaries. Many families on the banks of these rivers lost their homes, household durables and their livelihoods. IDF FSPL came to the rescue of these affected families by distributing food kits, School bags, Tarpaulins, medicines etc. Two truck loads of relief materials were flagged off by Deputy Commissioner Belagavi for distribution through our Hukkeri, Gokak, M K Hubli, Ramdurga, Ugar Khurd, Chikkodi Branches. The Dy. Commissioner appreciated the efforts of IDF for assisting poor affected families.



#### ii. Distribution of Masks and Safety kits for Staff



#### iii. Health Check-up Camp and eye camp organised by IDF FSPL in association with Nanda Deepa eye Hospital at Belgaum.



#### iv. Sapling Distribution during celebration of World Environment Day



#### v. Books and Toy distribution at Government School in Dharwad



## Section - 6

### Management Discussion and Analysis



#### The Microfinance Landscape In 2021-22

The industry has been through its toughest time yet since the COVID-19 pandemic began. This was due to lower liquidity levels on account of inflation trending on the higher side. The MFI space was also hit by the lower unemployment rate recorded on account of the change in economic activity.

MFIs Micro meter Report, March 31, 2022, recorded for the microfinance industry a total loan portfolio of INR 2,85,441 Crores with 11.30 Crores active loan accounts. The industry serves 5.8 Crores unique borrowers through small value loans provided to low-income households across 611 districts in 35 states and union territories.

After the second wave of COVID-19 hit, the overall loan collection efficiency around June 2021 went down, indicating a rough patch. NPAs were expected to rise, as defaults were growing.

However, 2021-22 also observed the industry witnessing a turnaround. One of the key reasons for this was that microcredit customers are also among the most resilient. The rural economy continues to grow on the back of healthy agricultural yields and government support for job creation and digitization.

Thus, by September 2021, the delinquency trends had declined significantly. Resilience at this scale indicates the relevance of microfinance as a solution to the problems endured by its clientele.

While the third wave of the COVID-19 virus in India witnessed in January 2022, sparked by the Omicron variant, turned out to be not so intense as the second wave in April 2021, concerns regarding health and safety continue. Scientists and healthcare professionals expect the virus to continue mutating even as widespread vaccination helps to resume normalcy of travel and economic activity.

India's high vaccination rate provides an impetus for economic recovery and growth, and has been a key enabler in securing the livelihoods of people from lower economic strata. During 2021-22, a vast majority of people, falling under the rural and employed in 'essentials' category, sustained and resumed incomes as essential economic activities returned to normalcy.

#### New Regulatory Framework by RBI

The RBI on March 14, 2022, issued directions namely "Reserve Bank of India (Regulatory Framework for Microfinance) Directions, 2022 which came into effect from April 1, 2022.

The new Regulatory Framework was required to match the changing dynamics of the MFI sector. The Company believes that the RBI's new regulations will provide a stronger framework with a level playing field for all lenders. Overall, the new framework is positive for NBFC-MFIs as caps on ticket sizes and pricing have been withdrawn and there is a move towards self-regularization and harmonization.

#### 2.0 Financial Performance

IDFFSPL posted an excellent operational and financial performance during the year 2021-22.

##### 2.1 Outreach

The following facts come into picture while comparing the Company's present performance as compared to previous year:

- ❖ The Company disbursed an amount of Rs. 141.87 Crores during the year 2021-22. The disbursements have increased by 75% as compared to the previous year from Rs. 80.84 crs for FY 2020-21 to Rs. 141.87 crs for FY 2021-22.
- ❖ The Company added 8 new branches and the number of branches increased by 13.56% from 59 branches in FY 2020-21 to Rs. 67 branches for FY 2021-22.
- ❖ The AUM increased by 22.36% from Rs. 155.92 crs in the previous year to Rs. 190.78 crs during the year.
- ❖ PAR above 90 days reduced from 1.61% during March 2021 to 1.33% as on March 2022.

## 2.2 Portfolio:

The following table provides an analysis of the portfolio of your company.

Amount in Lakh

Description	As on March 2021	As on March 2022
Total value of loans disbursed during period	8,084.19	14,186.45
Total number of loans disbursed to SHGs during period	20,012	30,611
Number of active borrowers	68,559	64,505
Average number of active borrowers	69,006	64,466
Value of loan outstanding	15,592.52	19,078.24
Average outstanding balance of loans	15,290.55	16,059.90
Value of payments in arrears	77.27	79.12
Value of outstanding balance of loans in arrears	206.99	180.99
Value loans written off during period	202.12	266.80
Average loan size per member	38,485	43,778
Average loan term (months)	12 to 24	12 to 24
Average number of loans officers during period	149	178

Your company operates in 22 districts of Karnataka, Maharashtra and Goa and the district wise breakup of loan details as on 31st March 2022 is as follows:

SI No	State	Districts	Amt in Lakh ₹			
			Disbursed	%	Amt Outstanding	%
1	Goa	North Goa	348.20	2.45%	436.72	2.29%
2	Goa	South Goa	80.73	0.57%	171.33	0.90%
3	Karnataka	Ballari	2,103.05	14.82%	2,475.62	12.98%
4	Karnataka	Belgaum	3,251.21	22.92%	3,513.28	18.42%
5	Karnataka	Chikkamagaluru	534.05	3.76%	675.23	3.54%
6	Karnataka	Chitradurga	249.89	1.76%	353.24	1.85%
7	Karnataka	Davanagere	206.02	1.45%	244.76	1.28%
8	Karnataka	Dharwad	1,009.85	7.12%	1,704.07	8.93%
9	Karnataka	Gadag	195.38	1.38%	647.39	3.39%
10	Karnataka	Haveri	1,261.43	8.89%	1,390.63	7.29%
11	Karnataka	Koppal	274.29	1.93%	331.94	1.74%
12	Karnataka	Raichur	759.90	5.36%	683.67	3.58%
13	Karnataka	Shimoga	257.16	1.81%	466.28	2.44%
14	Karnataka	Tumkur	1,420.55	10.01%	1,820.53	9.54%
15	Karnataka	Uttara Kannada	296.04	2.09%	311.92	1.63%
16	Karnataka	Vijayapura	219.80	1.55%	218.62	1.15%
17	Karnataka	Yadgir	95.30	0.67%	92.61	0.49%
18	Maharashtra	Kolhapur	87.38	0.62%	314.00	1.65%
19	Maharashtra	Latur	475.72	3.35%	487.83	2.56%
20	Maharashtra	Pune	27.48	0.19%	159.93	0.84%
21	Maharashtra	Sangli	4.28	0.03%	660.10	3.46%
22	Maharashtra	Solapur	1,028.74	7.25%	1,918.54	10.06%
<b>Total</b>			<b>14,186.45</b>	<b>100%</b>	<b>19,078.24</b>	<b>100%</b>

The portfolio is concentrated most in Belgaum district accounting for 19.37% and 14.92% in Solapur district followed by Bellary district at 14.19%.

The Company has added 8 new branches in the districts of Raichur (3 branches), Vijayapura (3 branches) & Yadgir (2 branches) in Karnataka during 2021-22.

## 2.3 Product-wise distribution

Product	2020-21			2021-22		
	Number of accounts	Amount in Lakh ₹	%	Number of accounts	Amount in Lakh ₹	%
I Cycle	31,013	5,066.49	32.49%	22,851	5,316.32	27.87%
II Cycle	16,697	3,595.64	23.06%	14,488	3,781.77	19.82%
III Cycle	5,085	1,286.78	8.25%	4,333	1,422.68	7.46%
IV Cycle	4,573	1,262.43	8.10%	3,504	1,222.73	6.41%
Individual Loan	4,636	1,591.40	10.21%	4,737	1,914.56	10.04%
BC Business	6,555	2,790.04	17.89%	14,592	5,420.17	28.41%
<b>Total</b>	<b>68,559</b>	<b>15,592.78</b>	<b>100%</b>	<b>64,505</b>	<b>19,078.23</b>	<b>100%</b>

## 2.4 Distribution of portfolio by purpose

The loans disbursed by your company are used for different purposes by the borrowers. The majority are invested in enterprise, as illustrated below.

Sl No	Category	Mar-21 (%)	Mar-22 (%)
1	Agri and agri-allied activities	54.48%	59.98%
2	Small business, trading, manufacturing, etc.	29.23%	25.25%
3	Service activities	8.91%	7.50%
4	Housing	4.66%	4.62%
5	Consumption	2.73%	2.65%
	<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

92.73% of the loans are for livelihood activities while 7.27% of the loans are for consumption purposes.

## 2.5 Portfolio quality

Sl No.	Type of Loans	Mar-21			Mar- 22		
		No. of Borrowers	Value of Loans	% Loan Outstanding	No. of Borrowers	Value of Loans	% Loan Outstanding
1	Regular Loans	66,737	15088.56	96.77%	63072	18733.43	98.19%
2	Less than 30 Days past due	612	203.69	1.31%	308	50.34	0.26%
3	Between 31-60 days past due	203	58.36	0.37%	254	63.46	0.33%
4	Between 61-90 days past due	110	34.92	0.22%	204	50.02	0.27%
5	Between 91-180 days past due	142	35.59	0.23%	492	131.88	0.69%
6	Between 181-365 days past due	576	137.67	0.88%	175	49.10	0.26%
7	>365 days past due	179	33.73	0.22%	0	0	0.00%
	<b>Total</b>	<b>68,559</b>	<b>15,592.52</b>	<b>100%</b>	<b>64,505</b>	<b>19,078.23</b>	<b>100.00%</b>

## 2.6 Portfolio yield, profitability and sustainability

The portfolio yield for the year 2021-22 was 22.59% which is higher when compared to 21.96% during 2020-21

The Company's Operational sustainability ratio was at 116.70%, higher than that of 110.86% during the previous year.

There has been a sizeable profit earned during the year.

### 3.0 Resource Mobilisation

The Company has been enjoying excellent rapport with the players in the financial sector. It is in touch with various Banks and is in the process of finalizing the funds arrangement for the ensuing years. The Company did not face any problems during the year with respect to its liquid funds. The cost of funds for IDF FSPL for FY 2021-22 was approximately 13.00%.

Lender's Profile	Amt in ? Lacs	
	31-Mar-21	31-Mar-22
<b>Secured Term Loan</b>		
<b>- From Banks</b>		
Bank of Baroda	0	360.30
Bank of Maharashtra	0	711.47
Canara Bank	649.98	1,015.55
Dhanlaxmi Bank	0	300.00
ESAF Small Finance Bank	0	489.97
IDFC First Bank	1,817.02	972.21
Jana Small Finance Bank	1,400.00	1,372.69
Karnataka Grameen Bank	672.47	456.44
Karnataka Vikas Grameen Bank	389.81	345.84
Lakshmi Vilas Bank	97.89	0
State Bank of India	1,504.37	1,999.94
UCO Bank	943.71	499.89
Union Bank of India	1,432.00	1,315.64
<b>Sub Total</b>	<b>8,907.25</b>	<b>9,838.94</b>
<b>- From Financial Institutions/NBFC</b>		
Habitat Micro build India Private Limited	266.83	96.12
Maanaveeya Development Fin. Pvt Ltd	388.40	0
Nabkisan Finance Ltd	885.41	413.91
Nabsamruddhi Finance Limited	1,099.74	266.66
Small Industries Development Bank of India	187.50	1,360.00
<b>Sub Total</b>	<b>2,827.88</b>	<b>2,136.69</b>
<b>Secured Cash Credit</b>		
Canara Bank	299.79	411.10
Karnataka Vikas Grameen Bank	201.31	309.20
<b>Sub Total</b>	<b>501.10</b>	<b>720.30</b>
<b>Grand Total</b>	<b>12,236.23</b>	<b>12,695.93</b>

Currently the debt funds sources comprise: Banks (83.17%), Financial Institutions/NBFC's (16.83%). Efforts will be made to diversify these funding sources. The company is looking for Social Investors who can add value to the organization, both in terms of capital and global best practices.

### Ratings and evaluations

The Company has received a Grading of MFI 3 (where MFI 1 is highest, and MFI 8 is lowest on an eight-point scale) by SMERA, an accredited credit rating agency during November 2022. The Grading is of the MFI's ability to conduct its operations in a scalable and sustainable manner.

The Company has received 'BBB-' rating from Infomerics Ratings in respect of the Bank facilities it has availed and its proposed facilities to be availed in future.

The Company has received "C2" Rating in respect of its COCA Ratings from SMERA which indicates "**Good Performance on Code of Conduct Dimensions**".

### Capital Adequacy

The Capital Adequacy Ratio of the company was 21.24% as on 31st March 2022 which is slightly lower than 21.30% as on 31st March 2021.

## Section - 7

### Board of Director's Report



Your Director's have pleasure in submitting their Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2022.

#### 1. Financial Summary

Particulars	As at the end of current reporting period 31 Mar 2022
Revenue from Operation	25,03,55,323
Other income	4,40,92,088
Expenses	25,53,16,676
<b>Profit before taxation</b>	<b>3,91,30,735</b>
Less: Provisions for Taxation	98,42,667
Current Tax	-
Reversal of income tax provisions	-
Deferred tax	14,88,570
<b>Profit after Taxation</b>	<b>2,77,99,498</b>

Financials are displayed in [www.idf-finance.in](http://www.idf-finance.in)

#### 2. Principal Business Activities of the Company

The Company is in the business of Micro Finance.

#### 3. Extracts of Annual Return

NA

#### 4. Number of Meetings of the Board:

During the Financial year ended 31st March, 2022, Four Board Meetings were held. The intervening gap between two meetings was well within the maximum allowed gap of 120 days as prescribed under Companies Act, 2013.

#### 5. 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 Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; 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.

#### 6. Declaration by Independent Directors:

The Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 hence no Declaration has been obtained.

#### 7. Company's policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178:

The Provisions of Section 178(1) with respect to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence no policy is formulated on director's appointment and remuneration, criteria for determining qualifications, positive attributes, independence of a director and other related matters as provided under Section 178(3) of the Companies Act, 2013.

#### 8. Audit Report:

The Auditors' Report does not contain any qualifications, reservations and adverse remarks. The Provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

#### 9. Particulars of Loans, guarantees or investment under Section 186:

During the year under review, the Company has not advanced any loans/ given any guarantees/ made investments.

#### 10. Particulars of contracts or arrangements made with related parties:

There were no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

#### 11 Transfer to Reserve:

The Company has transferred Rs. 55,59,900 to statutory reserve, Rs. 10,00,000 to General Reserve and Rs. 50,00,000 Bad debt Reserve Fund.

## 12 Dividend:

Following dividend are distributed:

Sr. No	Particulars	Dividend payable in Rs.
1	Compulsorily Convertible Preference Shares	65,09,237
2	Optionally Convertible Preference Shares	45,45,000
		<b>1,10,54,237</b>

There were no unclaimed or unpaid dividends in the Company in pursuance of Section 124 of the Companies Act, 2013 and hence no funds were required to be transferred to the Investor Education and Protection Fund.

## 13. Material Changes between the date of the Board Report and end of the Financial Year:

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

## 14. Risk Management Policy:

The Company has developed and implemented a risk management policy to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The policy is designed to identify the elements of risk which may threaten the existence of the Company. The major risk identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

## 15. Corporate Social Responsibility:

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

## 16. Conservation of Energy, Technology absorption, foreign exchange earnings and outgo:

The particulars as prescribed under clause (m) of sub-section (3) of section 134 of the Companies Act, 2013 read

with Rule 8 of Companies (Accounts) Rules, 2014 are as under:

1. Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.

2. The Foreign exchange earnings and outgo for the financial year is Nil.

## 17. Subsidiaries, Joint Ventures and Associate Companies:

The Company does not have any Subsidiary, Joint venture or Associate Company during the year under review.

## 18. Deposits:

The Company has neither accepted nor renewed any deposits during the year under review.

## 19. Directors and KMP:

There is no changes in Board and KMP during the year.

## 20. Particulars of Employees:

Non of the employee has received remuneration exceeding the limits as stated under Companies Act, 2013.

## 21. Adequacy of Internal Financial Controls With Reference to Financial Statements:

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

## 22. Statutory Auditors:

M/s. appoint Chetan Padaki & Associates, Chartered Accountants (Firm Registration Number: 011274S) hold the office till the conclusion of Annual General Meeting to be held in the year 2024. As required by the Companies Act, 2013.

## 23. Disclosure of Composition of Audit Committee and Providing Vigil Mechanism:

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

## 24. Shares:

During the year under review, the company has undertaken following transactions:

Increase in Share Capital	Buy Back of Securities	Sweat Equity	Bonus Shares	Employees Stock Option Plan	Redemption
Nil	Nil	Nil	Nil	Nil	Nil

## 25. Details of Significant and Material Orders Passed by the Regulators, Courts and Tribunals:

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

## 26. Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

There were no complaints reported under The Sexual Harassment of Women at Workplace (Prevention, Provision and Redressal) Act, 2013 during the year under review.

## 27. Acknowledgements:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

## 28. Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government:

There is no frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government.

For and on behalf of the Board



Vivekanand N Salimath  
Chairman  
DIN: 00253109



Naganagouda M Patil  
Managing Director  
DIN: 01674210

Date : June 15, 2022



Place: Bengaluru

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022**  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 2022**

To,  
The Members,  
IDF FINANCIAL SERVICES PRIVATE LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IDF FINANCIAL SERVICES PRIVATE 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 Company's 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 31<sup>st</sup> March, 2022 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 IDF FINANCIAL SERVICES PRIVATE LIMITED ("the Company") for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. RBI REGULATIONS Applicable to NBFC MFI – NON DEPOSIT TAKING - NSI;
- iii. The Environment (Protection) Act, 1986
- iv. The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
- v. The Water (Prevention & Control Of Pollution) Act, 1974
- vi. The Air (Prevention & Control of Pollution) Act, 1981
- vii. The Inter State Migrant Workmen Act, 1979 and The Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Central Rules 1980
- viii. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- ix. Other Labour, employee and Industrial Laws to the extent applicable to the Company

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

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



Address: 43/13, 2<sup>nd</sup> Floor, 'Mathru Krupa', 2nd Main, 5th Cross Rd, Mount Joy Extension,  
Hannumanthnagar, Bengaluru, Karnataka 560019  
e-Mail: [shrinathbhatandco@gmail.com](mailto:shrinathbhatandco@gmail.com)  
Mobile & Whatsapp: 8971408308

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

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors.

There are no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that during the audit period the company has received application for Transfer of Beneficial Interest and the same has been reported in MGT-6 in Compliance with the Applicable provisions of Section 89 of the Companies Act, 2013.

**Place: Bangalore**  
**Date: 01/08/2022**

**For Shrinath Bhat & Co**  
**Practicing Company Secretary**  
**Firm Registration No.: S2018KR648000**



**Address:** 43/13, 2<sup>nd</sup> Floor, 'Mathru Krupa', 2nd Main, 5th Cross Rd, Mount Joy Extension,  
Hanumanthnagar, Bengaluru, Karnataka 560019  
e-Mail: [shrinathbhatandco@gmail.com](mailto:shrinathbhatandco@gmail.com)  
Mobile & Whatsapp: 8971408308



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IDF FINANCIAL SERVICES  
 PRIVATE LIMITED**

**1. Report on the Audit of financial statements**

**Opinion**

We have audited the accompanying financial statements of IDF Financial Services Private Limited ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our Opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 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 March 31, 2022 and its profit and its cash flows for the year ended on that date.

**2. Basis for Opinion**

We conducted our audit in accordance with the standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**3. Information other than the financial statements and Auditor's report thereon**

The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable at the date of this auditor's report.



#### **4. Responsibilities of Management and Those Charged with Governance for the financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 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.

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

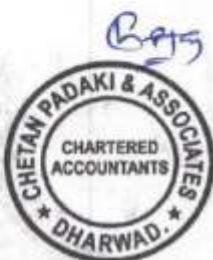
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **5. Auditor's responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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.

#### 6. Report on other legal and regulatory requirements

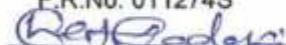
- i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- ii. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022, from being appointed as a director in terms of Section 164(2) of the Act.



- f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" issued under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").
- g) The provisions of section 197 read with Schedule V to the act are not applicable to the Company since the Company is not a public company and accordingly, reporting under section 197(16) is not applicable.
- h) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Bengaluru  
Date: 15/06/2022

for CHETAN PADAKI & ASSOCIATES  
CHARTERED ACCOUNTANTS

F.R.No. 011274S  


CA CHETAN PADAKI  
PARTNER  
Mem.No.216929  
UDIN: 22216929AKZQTP6971



**IDF FINANCIAL SERVICES PRIVATE LIMITED**  
**No. 31/1, "Girija", Patalamma Temple Street, South end circle, Basavanagudi,**  
**Bangalore- 560004**

CIN No. U67910KA1994PTC016476

Tel: 080 26577714, e-Mail: finance@idf-finance.in; idf.finance@gmail.com, Website : [www.idf-finance.in](http://www.idf-finance.in)

(₹)

Balance Sheet as at	Note no.	31-Mar-22	31-Mar-21
<b>I. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Share capital	2.01	23,10,37,150	23,10,37,150
(b) Reserves and surplus	2.02	6,99,02,825	6,10,10,827
		<b>30,09,39,975</b>	<b>29,20,47,977</b>
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Long-term borrowings	2.03	47,35,44,997	50,23,38,745
(b) Long-term provisions	2.07	4,24,94,521	3,55,07,970
		<b>51,60,39,518</b>	<b>53,78,46,715</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings			
(A) Short-term borrowings	2.04	7,20,30,716	5,01,10,253
(B) Current Maturity for Long term borrowing		-	-
(ii) Trade Payable			
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro and small enterprises	2.05	-	-
(b) Other current liabilities	2.06	74,27,18,770	68,17,93,314
(c) Short-term provisions	2.07	1,18,00,000	1,76,31,551
		<b>82,65,49,486</b>	<b>74,95,35,118</b>
<b>Total Equity and Liability</b>		<b>1,64,35,28,979</b>	<b>1,57,94,29,810</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2.08	14,36,939	14,53,953
(b) Intangible Assets		-	-
(c) Deferred tax Asset (net)	2.09	40,17,023	55,05,593
(d) Long Term Financial Assets	2.10	37,67,64,347	24,91,75,423
(e) Other Non-Current Assets	2.13	13,74,90,178	17,49,48,340
(i) Security Deposits	2.14	2,09,50,000	92,50,000
(ii) Trade Receivables		-	-
		<b>54,06,58,487</b>	<b>44,03,33,309</b>
<b>Current assets</b>			
(a) Financial Assets			
(i) Investment	2.11	-	5,00,000
(ii) Short-term loans and advances	2.10	1,01,30,53,720	1,05,34,02,179
(iii) Trade Receivables		-	-
(iv) Cash and cash equivalents	2.12	6,73,36,404	6,33,87,655
(b) Other current assets	2.13	2,24,80,368	2,18,06,667
		<b>1,10,28,70,492</b>	<b>1,13,90,96,501</b>
<b>Total Assets</b>		<b>1,64,35,28,979</b>	<b>1,57,94,29,810</b>
<b>Significant accounting policies and notes on accounts</b>		<b>1 &amp; 2</b>	
The accompanying notes are an integral part of these financial statements			



As per our report of even date  
for CHETAN PADAKI & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R. No. 0112745  
*Chetan Padaki*  
CA CHETAN PADAKI  
PARTNER  
Mem. No. 216929  
Date : 15/06/2022 UDIN:22216929AKZQTP6971  
Place: Bengaluru

for IDF Financial Services Private Limited

*Prashant Hegde* *V N Salimath* *N M Patil*  
Prashant Hegde V N Salimath N M Patil  
Company Chairman Managing Director  
Secretary DIN: 0253109 DIN: 1674210

**IDF FINANCIAL SERVICES PRIVATE LIMITED**  
**No. 31/1, "Girija", Patalamma Temple Street, South end circle, Basavanagudi,**  
**Bangalore- 560004**

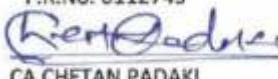
CIN No. U67910KA1994PTC016476

Tel: 080 26577714, e-Mail: finance@idf-finance.in; idf.finance@gmail.com, Website : [www.idf-finance.in](http://www.idf-finance.in)

(₹)

Statement of Profit and Loss for the year ended	Note no.	31-Mar-22	31-Mar-21
<b>Revenue</b>			
Revenue from operations	2.15	25,03,55,323	28,94,83,743
Other Income	2.16	4,40,92,088	2,47,82,223
<b>Total Revenue</b>		<b>29,44,47,411</b>	<b>31,42,65,966</b>
<b>Expenses</b>			
Employee benefits expense	2.17	6,95,19,347	6,16,14,032
Finance costs	2.18	13,71,07,918	16,35,21,389
Depreciation and amortization expenses	2.09	8,65,579	6,73,800
Provisions and write-offs	2.19	2,66,79,691	2,60,44,041
Other expenses	2.20	2,11,44,141	1,74,30,792
<b>Total expenses</b>		<b>25,53,16,676</b>	<b>26,92,84,054</b>
<b>Profit before tax</b>		<b>3,91,30,735</b>	<b>4,49,81,912</b>
<b>Tax expenses:</b>			
- Current tax		98,42,667	1,38,00,000
- Reversal of Income tax provision- prior years		-	(2,51,258)
- Deferred tax (credit) / charge		14,88,570	(41,91,898)
		<b>1,13,31,237</b>	<b>93,56,844</b>
<b>Profit after tax</b>		<b>2,77,99,498</b>	<b>3,56,25,068</b>
<b>Earning per equity share (EPS) [refer note 3.04]</b>			
- Basic (face value of ₹10/- each)		2.57	3.29
- Diluted (face value of ₹10/-each)		1.20	1.55
<b>Significant accounting policies and notes on accounts</b>		<b>1 &amp; 2</b>	
<hr/>			
The accompanying notes are an integral part of these financial statements			



As per our report of even date  
for CHETAN PADAKI & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R.No. 0112745  
  
CA CHETAN PADAKI  
PARTNER  
Mem.No.216929

for IDF Financial Services Private Limited  
  
Prashant Hegde  
Company Secretary  
  
VN Salimath  
Chairman  
DIN: 0253109  
  
N M Patil  
Managing Director  
DIN: 1674210

Date : 15/06/2022  
Place: Bengaluru

**IDF FINANCIAL SERVICES PRIVATE LIMITED**  
**No. 31/1, "Girija", Patalamma Temple Street, South end circle, Basavanagudi,**  
**Bangalore- 560004**

CIN No. U67910KA1994PTC016476

Tel: 080 26577714, e-Mail: finance@idf-finance.in; idf.finance@gmail.com, Website : www.idf-finance.in

(₹)

Cash flow statement for the year ended	31-Mar-22	31-Mar-21
<b>Cash flow from operating activities</b>		
Profit before tax	3,91,30,735	4,49,81,911
Adjustment for		
Depreciation and amortisation expenses	8,65,579	6,73,800
Interest on term deposits	(1,09,87,789)	(1,08,06,027)
Loan provisions and write offs	-	(1,88,94,521)
Dividend Received	(1,38,575)	(2,51,350)
<b>Operating profit before working capital changes</b>	<u>2,88,69,970</u>	<u>1,57,03,813</u>
<b>Changes in working capital:</b>		
(Decrease) / Increase in provisions	11,55,000	3,88,26,072
(Increase) / Decrease in Loans and advances	(8,72,40,465)	1,61,85,117
(Increase) / Decrease in other assets	2,50,84,461	(2,00,59,725)
(Decrease)/increase in other current liabilities	6,09,25,455	(2,46,42,718)
<b>Cash generated from / (Used in) operating activities</b>	<u>2,87,94,421</u>	<u>2,60,12,559</u>
Income tax paid (Net)	(98,42,667)	(1,35,48,741)
<b>Net cash generated from / (Used in) operating activities</b>	<b>(A)</b>	<b>1,89,51,754</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(8,48,565)	(6,55,845)
Interest on term deposits	1,09,87,769	82,95,019
Purchase of Investments		
Sale of Investments	5,00,000	5,00,000
Dividend Received	1,38,575	2,51,350
<b>Net cash flow from / (Used in) investing activities</b>	<b>(B)</b>	<b>1,07,77,779</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of Optionally Convertible 9% Cumulative Preference shares		
Proceeds from Long-Term borrowings (Net)	(2,87,93,749)	(2,41,40,669)
Proceeds from Short-Term borrowings (Net)	2,19,20,464	(2,42,63,003)
Reversal from Bad Debt Reserve	(70,00,000)	-
Dividend Distribution tax paid	(8,53,263)	-
Dividend paid	(1,10,54,237)	(1,54,17,892)
<b>Net cash flow from / (Used in) financing activities</b>	<b>(C)</b>	<b>(2,57,80,784)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A)+(B)+(C)</b>	<b>39,48,749</b>
Cash and cash equivalents at the beginning of the year		
	6,33,87,655	10,63,54,877
<b>Cash and cash equivalents at the end of the year [Refer note 2.12]</b>	<b>6,73,36,404</b>	<b>6,33,87,655</b>
<b>Significant accounting policies and Notes on accounts</b>	<b>1 &amp; 2</b>	

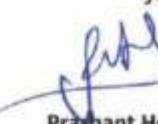


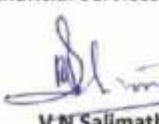
As per our report of even date  
for CHETAN PADAKI & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R.No. 0112745  
  
CA CHETAN PADAKI  
PARTNER  
Mem.No.216929

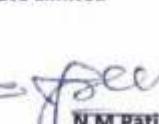
Date : 15/06/2022

Place: Bengaluru

for IDF Financial Services Private Limited

  
Prashant Hegde  
Company Secretary

  
V N Salimath  
Chairman  
DIN: 0253109

  
N M Patil  
Managing Director  
DIN: 1674210

**Company overview:**

IDF Financial Services Private Limited [herein after 'the company'] is a private Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013 bearing CIN U67910KA1994PTC016476. The Company is engaged in micro finance activities directed to ultimate benefit of poor women [organized in the form of Self-help-groups] for enhancement of their livelihoods in a financially viable manner and provide financial support to these groups created through Community based Self Help Group Federations. The Company is registered with Reserve Bank of India (RBI) as a Non Banking Financial Company non-deposit taking Microfinance institution (NBFC - MFI) with Certificate of Registration No B- 02.00164 issued by RBI dated 17th October 2013.

**1) Significant accounting policies**

**1.01 Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act'), read together with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and stipulated in the directions issued by Reserve Bank of India (RBI) to the extent applicable to the Company.

The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are in consistent with those of previous year. The Company is a Non-Banking Finance Company - Micro Finance Institutions (NBFC-MFI). The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India for Non-Banking Finance Company - Micro Finance institution (NBFC-MFI).

**1.02 Use of estimates**

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Policies requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenue and expenses during the reported period. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from those estimates.

**1.03 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue measured and collectibility is reasonably assured. In this financial statement revenue is recognised as explained below.

**1.03.1** Interest income on loans disbursed is recognized on accrual basis as per effective interest rate method except in the case of Non-performing assets (NPA) where interest is recognized upon realisation, in accordance with Reserve Bank of India Directives applicable to Non Banking Finance Companies- Microfinance Institutions vide Master Circular - Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016." For a loan account turning into NPA, interest already charged on accrual basis and not collected, is reversed.

**1.03.2** Interest income on deposits with banks is recognized on time proportion accrual basis taking into the account, the amount outstanding and rate applicable.

**1.03.3** Service charges on loans is recognised on receipt basis.

**1.03.4** Dividend income is recognised when right to receive is established.

**1.03.5** Amount received against previously written-off loans are recognised on receipt basis and classified under other operating revenue.

**1.03.6** Income from interest strip ( excess interest spread) is recognised in the statement of profit and loss (net of any loss) when redeemed in cash. Interest retained under assignment of loan receivables is recognised on realisation basis over the life of the underlying loan portfolio. Profit / premium arising at the time of assignment of loan portfolio is amortised over the life of the underlying loan portfolio and any loss arising there from is accounted for immediately. Interest retained under assignment of loan receivables is recognised on realisation basis over the life of the underlying loan portfolio.

**1.03.7** Incentive Received is in the nature of incentives for the loan recovery of assinged debts during year.

**1.03.7** Income from business correspondent services is recognized as and when the services are rendered as per agreed terms and conditions of the contract.

**1.04 Cash Flow Statement**

The cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard 3. The Cash flow from operating, investing and financing activities of the Company are segregated based on available information.

Cash comprises of cash on hand and demand deposits with Banks. Cash equivalents are short term balances (with an obligation maturity of three month or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in value.



**1.05 Property, Plant and Equipment and Intangible assets**

**Property, Plant and Equipment:**

All fixed assets have been stated at historical cost less accumulated depreciation and impairment loss, if any. Cost includes the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

**Intangible assets:**

No such Assets are existing in the Company.

**1.06 Depreciation and amortisation**

Depreciation is provided pro-rata on the written down value method at the following stated rates based on the useful life specified under as per Part "C" of Schedule II of the Companies Act 2013:

Class of Fixed Assets	Useful Life (in years)	Rate of Depreciation
Furniture & fixtures	10	25.69%
Office equipment	5	45.07%
Computers	3	63.16%
Vehicles	8	31.23%

**1.07 Borrowing costs**

Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings. All borrowing costs are expensed in the period they occur. The loan processing fees and other similar charges incurred at the time of origination of the loan are recognised over the period of the loan in the Statement of Profit and Loss.

**1.08 Investments**

Investment that are readily realisable and intended to be held for not more than one year from the date in which such investments are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long-term investments.

**1.09 Operating leases**

No such Operating Assets are existing in the Company

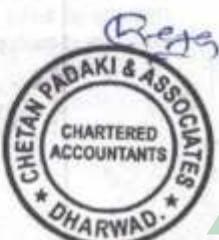
**1.10 Asset classification**

These are classified as standard assets and sub-standard assets in terms of Reserve Bank of India directions as laid down in "Master Direction - Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016".

**1.11 Provision for Non- performing assets**

Provision for non- performing assets has been made as per the norms stated in the Directions as laid down in Master Direction - Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 by Reserve Bank of India which are stated below:

Classification of Assets	Criteria for Classification	Provision %
		As per the prudential norms of RBI
Standard Assets	The assets in respect of which, no default in repayment of principal or payment of interest is perceived	0%
Non performing Assets	The loan instalments which are over due for more than 90 days but not more than 180 days.	50%
Non performing Assets	The aggregate loan instalments which are over due for more than 180 days.	100%
As per the RBI Guidelines the provisioning for Non-performing assets should be either 1% of total loan portfolio or as per the above rates whichever is higher.		



Asset Classification	
<b>Standard Assets</b>	1,34,77,07,845
<b>Non Performing Assets:</b>	1,80,98,803
<b>Sub-Standard</b>	
91 days - 180 days	39,49,678
> 180 days	12,90,573
<b>Loss Assets</b>	-
<b>Misappropriated Accounts</b>	-
<b>Gross Loan Portfolio</b>	1,36,58,06,648
<b>Provisioning Norms:</b>	
<b>Provisioning of Higher of:</b>	
a) 1% of the outstanding loan portfolio	1,36,58,066
b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.	32,65,412
<b>Actual Provisions already held</b>	1,88,94,521
<b>Additional Provision to be held during the current year</b>	
<b>Additional Provision to be held due to Covid-19</b>	1,00,00,000
<b>Reversal of excess provisions held</b>	-
<b>Total Provision at the end of the year ₹</b>	2,88,94,521

Note: As per the Circular RBI/2019-20/220 Dt: 17/04/2020, an additional provisional for the standard assets in respect of all accounts classified as standard even though it is not overdue and expected to become NPA in upcoming period has been provided by the Company in addition to the above required provision. The provision required as per statutory norms of the RBI is 1% which amounts to ₹ 1,36,58,494/-.

#### 1.12 Loans write-off policy

As per the loan write off policy, loans are written off when the management has exhausted all options for recovery of Principal and interest on the loan which are overdue.

#### 1.13 Employee benefits

**1.13.1 Provident fund:** Provident Fund Contribution is accounted on actual liability basis and paid to the Government managed Employees' Provident Fund Organization. PF contribution from Employee and Employer is calculated on the basic salary of the Employee. The treatment for the Provident fund is given as per the Employees Provident Fund and Miscellaneous Provisions Act - 1952.

**1.13.2 Employees State Insurance :** Employees State Insurance premium is paid as per the Act. ESI contribution from Employee and Employer is calculated on the basic salary of the Employee. The treatment for the ESI is given as per the Employees State Insurance Act -1961.

**1.13.3 Gratuity:** This is a defined benefit plan. Gratuity liability is provided based on actuarial valuation using Projected Unit Credit Method. Actuarial Gains and Losses comprising of experience adjustments and the effects of changes in actuarial assumptions, are recognised immediately in the Profit and Loss Account as income or expenses.

#### 1.14 Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income originating during the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

Deferred tax liabilities are recognised for all the taxable timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.



**1.15 Earning per share**

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

**1.16 Provisions and contingent liabilities**

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

A disclosure of contingent liability is made, when there is a possible obligation or a present obligation that will probably not require outflow of resources or where reliable estimate of the obligation cannot be made.

**1.2 Operating**

Based on the nature of activities of the Company and normal time between acquisition of assets their realisation of and cash equivalent, the Company has determined operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

**1.18 Segment information**

The Company operates in a single reportable segment i.e. lending activity, which has similar risks and returns for the purpose of reporting under AS-17 'Segment Reporting'. The Company primarily operates in India and does not have any reportable geographical segment.

**2) Notes on accounts**

**2.01 Share capital**

		31-Mar-22	31-Mar-21
<b>Authorized</b>			
1,50,00,000 [Previous year: 1,50,00,000] Equity shares of ₹10/- each	15,00,00,000	15,00,00,000	
1,50,00,000 [Previous year: 1,50,00,000] Preference shares of ₹10/- each	15,00,00,000	15,00,00,000	
	<b>30,00,00,000</b>	<b>30,00,00,000</b>	
<b>Issued, subscribed and paid-up</b>			
1,08,21,230 [Previous year: 1,08,21,230] Equity shares of ₹10/- each fully paid -up	10,82,12,300	10,82,12,300	
72,32,485 [Previous year: 72,32,485] 9% Compulsorily Cumulative Convertible Preference shares of ₹10/- each fully paid-up	7,23,24,850	7,23,24,850	
50,50,000 [Previous year: 50,50,000] 9% Cumulative Optionally Convertible Preference shares of ₹10/- each fully paid-up	5,05,00,000	5,05,00,000	
	<b>23,10,37,150</b>	<b>23,10,37,150</b>	

**2.01.1 Reconciliation of shares**

	31-Mar-22	31-Mar-22	31-Mar-21	31-Mar-21
	Number	Amount	Number	Amount
<b>a) Equity shares</b>				
Balance at the beginning of the year	1,08,21,230	10,82,12,300	1,08,21,230	10,82,12,300
Add: issued during the year	-	-	-	-
Balance at the end of the year	<b>1,08,21,230</b>	<b>10,82,12,300</b>	<b>1,08,21,230</b>	<b>10,82,12,300</b>
<b>b) Compulsorily Convertible 9% Cumulative Preference shares</b>				
Balance at the beginning of the year	72,32,485	7,23,24,850	72,32,485	7,23,24,850
Add: issued during the year	-	-	-	-
Balance at the end of the year	<b>72,32,485</b>	<b>7,23,24,850</b>	<b>72,32,485</b>	<b>7,23,24,850</b>



**c) Optionally Convertible 9% Cumulative Preference shares**

Balance at the beginning of the year	50,50,000	5,05,00,000	50,00,000	5,00,00,000
Add: issued during the year	-	-	50,50,000	5,05,00,000
Less: Redeemed during the year	-	-	50,00,000	5,00,00,000
Balance at the end of the year	50,50,000	5,05,00,000	50,50,000	5,05,00,000

**Redemption of shares:** During the year company has redeemed and issued the 9% optionally convertible cumulative preference shares at par value. Shares are not redeemed out of the accumulated profits, but redeemed out of issue of new shares. Hence CRR is not necessary.

**2.01.2 Rights, preferences, restrictions of share capital**

**a) Equity shares:** The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity share is entitled to one vote per share.

**b) Compulsorily Convertible 9% Cumulative Preference Shares [CCPS]:** All CCPS which are convertible into equity having completion of 7 years from the date of allotment had been extended for a further period of three years in the AGM dated 28th May, 2016, then tenure of the same shares were further extended for 3 years in the EGM held on 16th December, 2019 upto 15th December, 2022 and dividend rate was increased to 9% from existing 6%. such conversion is to effect at fair value to be determined at the time of conversion. Preference share holders are not entitled to any voting rights except where the rights of the preference share holders are proposed to be affected. In such event, preference share holders will have the same right as the equity share holders in the meeting of the share holders for the agenda of the meeting affecting their rights only. Dividends are accumulatable until fully paid.

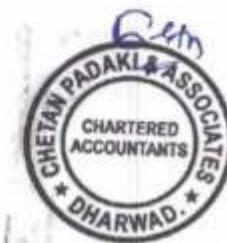
**c) Optionally Convertible Preference Shares [OCPS]:** OCPS are convertible at the option of the investor. Option to be exercised not before three (3) years from the date of allotment. The total tenure of OCPS is Six (6) years

**d) The amount of dividends proposed to be distributed to CCPS and OCPS shareholders for the period under audit is at the rate of 9% on the subscribed capital. Arrears of fixed cumulative dividends on preference shares are NIL.**

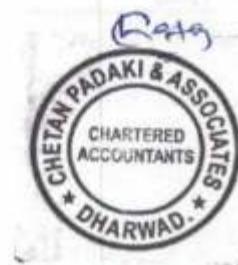
**2.01.3 The details of shareholders as at Mar 31st, 2022 is set out below:**

	31-Mar-22		31-Mar-21	
	No. of shares	%	No. of shares	%
<b>Equity share capital</b>				
IDF SHG Federation - Dharwad	63,02,167	58%	63,02,167	58%
IDF FSPL balaga welfare trust	9,02,147	8%	9,02,147	8%
Vivekanand. N. Salimath	6,50,833	6.01%	6,50,833	6%
Naganagouda M Patil	6,50,833	6.01%	6,50,833	6%
T V Srikantha Shenoy	6,23,875	5.77%	6,23,875	6%
Shrikant M Hebbal	6,23,875	5.77%	6,23,875	6%
Gururaj M Deshpande	7,01,173	6.48%	7,01,173	6%
<b>Compulsorily Convertible 9% Preference share capital</b>				
IDF SHG Federation - Dharwad	72,32,485	100%	72,32,485	100%
<b>Optionally Convertible 9% Preference share capital</b>				
IDF SHG Federation Dharwad	30,00,000	59.41%	30,00,000	59.41%
IDF Sujeevana Federation Kunigal	-	-	6,00,000	11.88%
Swavalambana Trust	6,00,000	11.88%	-	-

Shares held by promoters at the end of the year				% Change during the year
S. No.	Promoter Name	No of Shares	% of total shares	
1	Vivekanand. N. Salimath	6,50,833	6.01%	-
2	Naganagouda M Patil	6,50,833	6.01%	-
3	T V Srikantha Shenoy	6,23,875	5.77%	-
4	Shrikant M Hebbal	6,23,875	5.77%	-
5	Gururaj M Deshpande	7,01,173	6.48%	-
Total		32,50,569	30.04%	-



2.02	<u>Reserves and surplus</u>	31-Mar-22	31-Mar-21
	<b>Statutory reserve</b>		
	Opening balance	3,29,18,928	2,57,93,914
	Additions during the year #	55,59,900	71,25,014
		<b>3,84,78,828</b>	<b>3,29,18,928</b>
	<b>General Reserve</b>		
	Transferred from Profit and Loss	87,00,000	57,00,000
		<b>67,00,000</b>	<b>57,00,000</b>
	<b>Other Reserves</b>		
	Bad Debt Reserve Fund	50,00,000	70,00,000
		<b>50,00,000</b>	<b>70,00,000</b>
	<b>Securities premium account</b>		
	Opening balance	7,76,700	7,76,700
	Additions during the year	-	-
		<b>7,76,700</b>	<b>7,76,700</b>
		<b>1,24,76,700</b>	<b>1,34,76,700</b>
	<b>Surplus in the statement of Profit and Loss</b>		
	Opening balance	1,46,15,199	1,42,33,037
	Add: Profit/(loss) for the year	2,77,99,498	3,56,25,068
	Less: Transferred to statutory reserve#	(55,59,900)	(71,25,014)
	Less: Transferred to General reserve	(10,00,000)	(57,00,000)
	Less: Transferred to Bad Debt Reserve Fund	(50,00,000)	(70,00,000)
	Less: Dividend Paid	(1,10,54,237)	(1,54,17,892)
	Less: Dividend tax paid	(8,53,263)	-
		<b>1,89,47,297</b>	<b>1,46,15,199</b>
		<b>6,99,02,825</b>	<b>6,10,10,827</b>
	# Statutory Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.		
2.03	<u>Long Term Borrowings</u>	31-Mar-22	31-Mar-21
	<b>Secured</b>		
	- From banks		
	Canara Bank	10,15,54,534	6,49,97,945
	State Bank of India	19,99,94,401	15,04,36,822
	Union Bank of India	13,15,63,642	14,32,00,356
	Karnataka Vikas Grameen Bank	3,45,83,578	3,89,80,918
	UCO Bank	4,99,88,810	9,43,71,318
	IDFC First Bank	9,72,20,705	18,17,02,185
	Lakshmi Vilas Bank	-	97,88,741
	Karnataka Grameen Bank	4,56,43,630	6,72,46,958
	Jana Small Finance Bank	13,72,68,566	14,00,00,000
	ESAF Small Finance Bank	4,89,96,899	-
	Bank of Baroda	3,60,29,754	-
	Bank of Maharashtra	7,11,46,669	-
	Dhanlaxmi Bank	2,99,99,773	-
		<b>98,39,90,961</b>	<b>89,07,25,243</b>



**From Financial Institutions/NBFC**

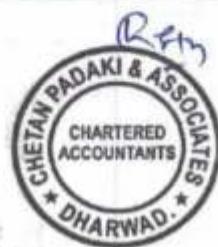
Nabkisan Finance Ltd	4,13,91,248	8,85,41,459
Nabsamruddhi Finance Limited	2,66,65,776	10,99,73,879
Maanaveeya Development&Fin. Pvt Ltd	-	3,88,40,000
Habitat Microbuild India Private Limited	96,12,376	2,66,82,993
Small Industries Development Bank of India	13,60,00,000	1,87,50,000
	<b>21,36,69,400</b>	<b>28,27,88,331</b>
	<b>1,19,76,60,361</b>	<b>1,17,35,13,574</b>
<b>Long term borrowings</b>	<b>47,35,44,997</b>	<b>50,23,38,745</b>

**# Note**

i) Term loans availed from banks and financial institutions are fully secured by way of hypothecation of book debts. Term loans are repayable on monthly or quarterly basis depending on the respective loan arrangements. During the year, company has not defaulted in the repayment of dues to its lenders. All borrowings from banks and financial institutions and proceeds of securities issued are utilised for the specific purpose for which it was taken.

ii) Terms of repayments and Loans Gauranteed by Directors are as follows:-

Name	Rate of Interest %	Date of Maturity	Sanction Amount	Tenure	Personal Guarantee
Bank of Baroda	9.35	30-09-24	5,00,00,000	36 EMIs	1. Vivekanand M Salimath
Bank of Maharashtra	10.80	30-04-24	10,00,00,000	12 Quarterly Instailements	1. Vivekanand M Salimath 2. Naganagouda N Patil
Canara Bank	11.65	31-10-22	5,00,00,000	36 EMIs	1. Vivekanand M Salimath
	11.60	30-06-22	10,00,00,000	36 EMIs	2. Naganagouda N Patil
	9.35	30-09-24	10,00,00,000	36 EMIs	3. T V Srinkantha Shenoy
ESAF Small Finance Bank	12.50	31-01-24	5,00,00,000	24 EMIs	1. Vivekanand M Salimath
Habitat Micro Build India	13.75	22-12-22	3,00,00,000	24 EMIs	-
IDFC First Bank	13.75	31-07-22	10,00,00,000	48 EMIs	1. Vivekanand M Salimath
	12.00	31-03-23	10,00,00,000	24 EMIs	2. Naganagouda N Patil
	12.00	31-05-23	5,00,00,000	24 EMIs	3. T V Srinkantha Shenoy
Jana Small Finance Bank	11.00	31-03-24	14,00,00,000	36 EMIs	1. Vivekanand M Salimath 2. Naganagouda N Patil 3. T V Srinkantha Shenoy
Jana Small Finance Bank	11.00	31-07-24	5,00,00,000	36 EMIs	3. T V Srinkantha Shenoy
Karnataka Gramin Bank	12.50	24-03-24	5,00,00,000	36 EMIs	1. Vivekanand M Salimath
	12.50	21-01-23	5,00,00,000	36 EMIs	2. Naganagouda N Patil
					3. T V Srinkantha Shenoy
Karnataka Vikas Grameena Bank	12.50	21-02-24	4,00,00,000	36 EMIs	1. Vivekanand M Salimath
	12.45	21-12-22	5,00,00,000	36 EMIs	2. Naganagouda N Patil 3. T V Srinkantha Shenoy

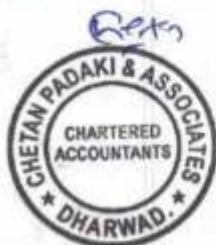


IDF FINANCIAL SERVICES PRIVATE LIMITED  
Significant accounting policies and notes on accounts

Nabkisan Finance Ltd	14.00	31-01-23	10,00,00,000	12 quarterly instalments	
Nabsamrudhhi Finance Ltd	13.75	30-11-23	5,00,00,000	36 EMIs	1. Vivekanand M Salimath
Small Industries Development	8.75	31-10-22	8,00,00,000	12 EMIs	1. Vivekanand M Salimath
Small Industries Development	8.75	28-02-25	12,00,00,000	36 EMIs	2. Naganagouda N Patil
State Bank of India	11.00	27-11-23	15,00,00,000	36 EMIs	1. Vivekanand M Salimath
State Bank of India	9.00	31-03-25	25,00,00,000	36 EMIs	2. Naganagouda N Patil 3. T V Srinivasa Shenoy
UCO Bank	9.45	31-03-26	10,00,00,000	15 equally quarter instalments	1. Vivekanand M Salimath 2. Naganagouda N Patil 3. T V Srinivasa Shenoy
Union Bank of India	9.80	30-09-23	10,00,00,000	36 EMIs	1. Vivekanand M Salimath 2. Naganagouda N Patil 3. T V Srinivasa Shenoy
	9.20	31-10-24	10,00,00,000	36 EMIs	

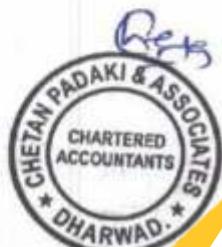
III) Fixed Deposit Encumbered Details

Bank Name	Date of opening	Date of Maturity	Encumbered	Unencumbered	Lien marked
SBI Bengaluru	29.12.2020	29.12.2023	75,00,000		SBI
SBI Bengaluru	23.04.2021	23.04.2024	7,00,000		SBI
SBI Bengaluru	23.03.2022	23.03.2024	1,25,00,000		SBI
HABITAT	22.12.2020	22.12.2022	15,00,000		
Bank of India	19.02.2021	19.02.2024	10,00,000		
Bank of Baroda	09.09.2021	09.09.2024	25,65,017		
Bank of Maharashtra	21.04.2021	21.04.2024	50,00,000		
Canara Bank Dharwad	19.08.2021	25.02.2023	29,37,365		
	21.03.2021	21.03.2023	14,31,768		
	06.07.2021	07.07.2022	40,42,536		
	24.11.2021	24.11.2022	50,99,335		
	27.02.2019	27.04.2022		54,00,000	
	21.07.2020	21.07.2022	22,35,867		
	06.10.2021	16.10.2024		16,82,370	
	26.03.2021	26.09.2023		14,54,524	
	24.11.2021	06.03.2023	14,61,066		
	06.10.2020	16.10.2022		14,12,750	
	26.10.2021	05.11.2022	14,80,331		
	10.10.2021	18.04.2023		14,96,115	
	17.01.2022	17.01.2024		13,93,744	
	17.01.2022	17.01.2024		13,93,744	
	17.01.2022	17.01.2024		13,93,744	
	17.01.2022	17.01.2024		13,93,744	



IDF FINANCIAL SERVICES PRIVATE LIMITED  
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	14.01.2022	23.07.2023	59,43,620		
	28.10.2020	28.10.2023	50,00,000		
	08.06.2021	08.06.2022	15,00,000		
KVG Bank Dharwad	31.12.2021	31.12.2022	8,50,766		
	05.01.2022	05.01.2023	7,91,026		
	30.04.2021	30.04.2022	8,14,093		
	15.05.2021	15.05.2022	8,10,115		
	05.06.2021	05.06.2022	8,09,221		
	02.07.2021	02.07.2022	8,09,659		
	27.02.2019	27.04.2022	50,00,000		
	28.03.2019	28.03.2023	50,00,000		
	29.09.2020	29.03.2023	10,95,371		
	27.12.2019	27.12.2022	50,00,000		
	10.11.2021	01.06.2022	16,67,000		
	11.03.2020	11.03.2023	16,67,000		
	11.03.2020	11.03.2023	16,67,000		
	11.03.2020	11.03.2023	16,67,000		
	11.03.2020	11.03.2023	16,65,000		
	01.03.2022	01.03.2023	30,00,000		
Syndicate Bank	01.10.2021	01.10.2022	38,79,366.00		
Dharwad	27.03.2021	27.03.2023	19,26,871.02		
	09.05.2021	09.05.2022	18,80,520.19		
	12.08.2021	12.08.2022	37,32,920.44		
Union Bank Bengaluru	03.04.2019	31.01.2023	70,66,370		Union Bank
	29.09.2020	29.09.2022	53,64,143		Union Bank
	29.09.2020	29.09.2022	53,64,143		Union Bank
	29.03.2021	29.03.2023	51,22,991		Union Bank
IOB Dharwad	18.11.2021	17.11.2022	5,00,000.00		
UCO Bank	13.03.2019	13.03.2023	59,78,968.00		
	29.06.2019	29.06.2022	58,27,122.00		
Karnataka Grameen Bank	29.05.2019	29.05.2022	35,21,676		
	29.01.2020	29.01.2023	57,01,423		
	24.03.2021	24.03.2024	52,59,934		
JANA SFB FLDG A/C	12.10.2020	12.11.2022	10,00,000.00		
	19.01.2021	08.02.2023	42,25,000.00		
	30.03.2021	19.04.2023	25,00,000		
	01.10.2021	01.10.2022	85,00,000		
	07.02.2022	07.02.2024	32,00,000		
Yes Bank	07.07.2021	07.07.2022	5,00,000.00		
Dhanlaxmi Bank Ltd	24.02.2022	24.02.2025	25,00,000.00		
ESAF Small Finance Bank	27.09.2021	26.09.2023	10,29,677		
	27.12.2021	26.12.2023	20,30,481		
	27.01.2021	26.01.2023	20,19,730		



IDF FINANCIAL SERVICES PRIVATE LIMITED  
Significant accounting policies and notes on accounts

2.04 Short Term Borrowings

From Banks- Secured

Cash credit #

7,20,30,716	5,01,10,253
<b>7,20,30,716</b>	<b>5,01,10,253</b>
<b>GRAND TOTAL</b>	<b>1,26,96,91,078</b>
	1,22,36,23,827

# Sanctioned limit of Rs. 10 Crores Renewal in 1 year are fully secured by way of hypothecation of book debts. Rate of interest:1 year MCLR+3.35%, 12-12.5% at present.

2.05 Trade Payable

31-Mar-22	31-Mar-21
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Outstanding dues of Micro, Small and Medium Enterprises (Refer note no 3.02)	-
Other Enterprises	-
	-

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

2.06 Other current liabilities

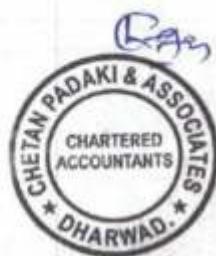
31-Mar-22	31-Mar-21
72,41,15,363	67,11,74,829
37,84,076	18,03,137
36,69,131	27,01,392
-	1,24,379.00
2,70,000	2,21,000
-	1,53,453
-	8,447
88,843	45,239
1,07,91,357	55,61,438
<b>74,27,18,770</b>	<b>68,17,93,314</b>

2.07 Provisions

	31-Mar-22		31-Mar-21	
	Long-Term	Short-Term	Long-Term	Short-Term
Provision for non-performing assets	1,88,94,521	-	1,30,62,970	58,31,551
Provision on loans-Covid-19	-	1,00,00,000	-	1,00,00,000
Provision for Contingent Expenses	-	18,00,000	-	18,00,000
Provision for Taxation	2,36,00,000	-	2,24,45,000	-
	<b>4,24,94,521</b>	<b>1,18,00,000</b>	<b>3,55,07,970</b>	<b>1,76,31,551</b>

Note:

01) The board of directors in meeting held dated 16th December 2019 has accorded to replace cash handling insurance and fidelity insurance with contingency fund. Hence the provision for contingent expenses has been made. Accordingly, the company had made a provision on estimated basis based on annual premium.



2.09	<b>Deferred tax Asset (net)</b>		31-Mar-22	31-Mar-21
	<b>Deferred tax asset arising on:</b>			
	Opening Balance		55,05,593	
	Depreciation and amortisation		-	9,01,394
	Provision on bad and doubtful debts		-	77,25,811
			55,05,593	86,27,205
	<b>Deferred tax liability arising on:</b>			
	Provision on borrowing charges		-	-
	Prepaid Processing Charges		14,88,570	31,21,612
	<b>Deferred tax Asset / (Liability) (net)</b>		<b>40,17,023</b>	<b>55,05,593</b>

2.10	<b>Loans and advances</b>		31-Mar-22	31-Mar-22	31-Mar-21	
			Non-current	Current	Non-current	Current
	<b>Secured</b>					
	Considered good	34,81,03,166	99,96,04,679	22,24,22,528	1,03,71,76,425	
	Considered doubtful	46,49,762	1,34,49,041	44,23,161	1,62,25,754	
		35,27,52,928	1,01,30,53,720	22,68,45,689	1,05,34,02,179	
	<b>Unsecured, considered good</b>					
	Rent Advance	22,58,000	-	20,13,000	-	
	TDS Receivables	29,99,419	-	14,16,734	-	
	Advance tax	1,87,54,000	-	1,89,00,000	-	
		2,40,11,419	-	2,23,29,734	-	
		37,67,64,347	1,01,30,53,720	24,91,75,423	1,05,34,02,179	

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Month	6 Months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- Considered good	0	0	0	0	0	-
(ii) Undisputed Trade receivables- Considered doubtful	0	0	0	0	0	-
(iii) Disputed Trade receivables- Considered good	0	0	0	0	0	-
(iv) Disputed Trade receivables- Considered doubtful	0	0	0	0	0	-

2.11	<b>Investments</b>		31-Mar-22	31-Mar-21
	Canara Robeco Dual advantage fund (PY 50,000 units)		-	5,00,000
			-	5,00,000

\*Note: Mutual Funds with Union Bank is held as lien against term loans sanctioned by the Bank

#Note: The fair market value of the above investment for the year end 2021 is ₹ 6.31 lacs (2020: ₹ 5.54 Lacs) in case of Canara robeco dual advantage fund. The investment in the Union Bank of India has been redeemed during the year.



2.12 Cash and cash equivalents

	31-Mar-22	31-Mar-21
<b>Balances with</b>		
- in current accounts	2,31,05,718	5,01,45,716
- in deposit account	4,31,14,048	1,30,00,354
- in Cash Credit account (Debit balance)	8,98,144	1,93,749
<b>Other bank balances</b>		
Deposits (Encumbered) with maturity more than 12 Months*	13,74,90,178	17,01,38,512
Less: Amounts disclosed as other non-current assets (refer note 2.13)	(13,74,90,178)	(17,01,38,512)
Stamps on hand	-	2,628
Cash on hand	2,18,493	45,208
	<b>6,73,36,404</b>	<b>6,33,87,655</b>

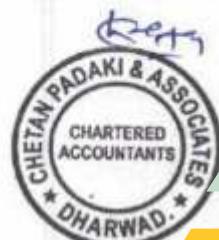
\*Note: Deposits encumbered held as margin against Term loans from Banks and Financial Institutions

2.13 Other Financial Assets

	31-Mar-22	31-Mar-22	31-Mar-21	31-Mar-21
	Non-current	Current	Non-current	Current
Interest Receivable on Investments	-	73,18,573	-	73,57,478
Deposits-maturity more than 12 Months(refer note 2.12)	13,74,90,178	-	17,01,38,512	
GST Receivable	-	51,47,538	-	29,41,063
Other receivables	-	83,010	-	63,644
Pre Paid Consultation Fees	-	1,11,111	1,11,112	7,25,000
Pre Paid Processing Charges	53,41,492	42,59,827	48,27,078	
Pre Paid Assigned Processing Charges	-	-	4,38,889	20,40,208
Gratuity plan asset	-	5,75,742	-	11,48,548
JANA-BC Commission Receivable on recovery	-	33,62,228	-	5,44,514
JANA-BC 1% Processing fees receivable on DB	-	5,40,674	-	13,05,870
	<b>13,74,90,178</b>	<b>2,24,80,368</b>	<b>17,49,48,340</b>	<b>2,18,06,666</b>

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Month	6 Months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- Considered good	-	-	-	-	-	-
(ii) Undisputed Trade receivables- Considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables- Considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables- Considered doubtful	-	-	-	-	-	-

2.14 <u>Security Deposits</u>	31-Mar-22	31-Mar-21
Security Deposits	25,000	25,000
Security Deposits with HABITAT	15,00,000	15,00,000
Security Deposits with JANA SFB FLDG	1,94,25,000	77,25,000
	<b>2,09,50,000</b>	<b>92,50,000</b>



IDF FINANCIAL SERVICES PRIVATE LIMITED  
Significant accounting policies and notes on accounts

2.15	<b>Revenue from operations</b>		31-Mar-22	31-Mar-21
	Interest Income		24,10,18,083	26,45,81,986
	Processing charges on loans		93,37,240	46,46,280
	Interest Strip income		-	2,02,55,477
			<b>25,03,55,323</b>	<b>28,94,83,743</b>
2.16	<b>Other income</b>		31-Mar-22	31-Mar-21
	Interest on term deposits		1,09,87,769	1,08,06,027
	Dividend income		1,38,575	2,51,350
	Recovery against loans written off		2,09,559	6,74,778
	Miscellaneous		1,80,826	1,115
	Incentive Received A/c		-	72,58,700
	Interest on Income tax refund		-	27,702
	BC Income		<b>3,25,75,360</b>	<b>57,62,551</b>
			<b>4,40,92,088</b>	<b>2,47,82,223</b>
2.17	<b>Employee benefit expenses</b>		31-Mar-22	31-Mar-21
	Salaries, wages and bonus		6,59,40,567	5,84,29,129
	Contributions to provident and other funds		29,73,771	26,61,325
	Staff welfare and training expenses		32,203	1,060
	Gratuity		5,72,806	5,22,518
			<b>6,95,19,347</b>	<b>6,16,14,032</b>
2.18	<b>Finance costs</b>		31-Mar-22	31-Mar-21
	Interest on borrowings		11,62,33,518	14,94,58,107
	Bank charges		28,82,735	19,97,780
	Processing Charges on Assigned Portfolio		24,79,097	41,58,441
	<b>Other Finance costs</b>			
	Loan processing fee on borrowings		1,27,22,976	53,30,157
	Documentation and evaluation expenses		20,64,592	17,37,320
	Loan Consultation Fees		7,25,000	8,39,584
			<b>13,71,07,918</b>	<b>16,35,21,389</b>
2.19	<b>Provisions and write-offs</b>		31-Mar-22	31-Mar-21
	Loans written-off		2,66,79,691	2,02,12,490
	Additional provision for Non performing Assets		-	58,31,551
	Cash Loss written off A/c		-	-
	Additional Provision on loans-Covid-19 (refer note no. 2.08 )		-	-
			<b>2,66,79,691</b>	<b>2,60,44,041</b>



2.20	Other operating expenses	31-Mar-22	31-Mar-21
Rent (refer Note 3.08)	65,12,204	57,03,263	
Travelling and conveyance	21,14,620	18,24,081	
Communication Expenses	8,50,312	8,83,751	
Office maintenance	20,27,203	17,23,254	
Printing & stationary	10,23,818	6,19,289	
Insurance	11,58,428	3,64,774	
Remuneration to auditors (refer Note 2.20.1 below)	2,50,000	2,00,000	
Concurrent Audit Fees	7,93,500	6,92,000	
Repairs and maintenance	9,79,657	9,88,765	
Meeting Expenses	1,92,228	13,620	
Subscription Fees	4,13,950	3,48,078	
Credit Burea Expenses	1,84,550	1,43,629	
Legal Fees	16,500	7,150	
Rates & Taxes	15,500	43,440	
Miscellaneous Expenses	1,02,676	49,476	
Contingent Expenses	-	3,00,000	
Other Consultancy /Professional Fees	45,08,995	35,26,222	
	<b>2,11,44,141</b>	<b>1,74,30,792</b>	
2.20.1 Auditor's Remunerations			
Statutory audit	2,50,000	2,00,000	
Reimbursement of expenses	-	-	
	<b>2,50,000</b>	<b>2,00,000</b>	
3) Supplementary information			
3.01	Contingent liabilities and commitments	31-Mar-22	31-Mar-21
	Contingent liabilities-Arrears of cumulative preference dividend*	65,09,237	65,09,237
	Commitments	Nil	Nil
	<i>*Working Note:</i>		
	Compulsorily Convertible 9% Cumulative Preference shares	65,09,237	65,09,237
	Compulsorily Convertible 9% Cumulative Preference shares	-	-
	Optionally Convertible 9% Cumulative Preference shares	-	-
		<b>65,09,237</b>	<b>65,09,237</b>
3.02	Micro and Small enterprises		
	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.		
	There are no Micro, Small and Medium Enterprises, to which the company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined as nil to the extent of such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditor.		
3.03.1	Capital to Risk-Assets Ratio [CRAR]	(₹)	
	Tier I Capital	31-Mar-22	31-Mar-21
	Tier II Capital	25,04,39,975	23,17,81,091
	Total	5,05,00,000	5,05,00,000
	<b>Total Risk weighted assets</b>	<b>30,09,39,975</b>	<b>28,22,81,091</b>
	(i) Adjusted value of funded risk assets i.e. on-balance sheet items	1,41,69,48,978	1,32,50,86,910
	(ii) Adjusted value of non-funded and off-balance sheet items	-	-
	<b>Total risk weighted assets/ exposures</b>	<b>1,41,69,48,978</b>	<b>1,32,50,86,910</b>



**Capital to Risk-Assets Ratio [CRAR]**

Tier I Capital as a percentage of Total Risk weighted assets (%)	17.67%	17.49%
Tier II Capital as a percentage of total Risk weighted assets (%)	3.56%	3.81%
<b>CRAR (%)</b>	<b>21.24%</b>	<b>21.30%</b>

**3.03.2 Loans classification as per RBI**

The loan portfolio has been classified as per the norms prescribed for classification by Reserve Bank of India in "Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016". The necessary provisions as per RBI norms have been made. The details are shown below:

Asset classification	Loan outstanding				Provision	
	31-Mar-22		31-Mar-21		As on 31st Mar 2022	As on 31-March 2021
	No. of accounts	Amount	No. of accounts	Amount	Amount	Amount
Standard assets	49,246	1,34,77,07,845	61,108	1,25,95,98,953	-	-
Non Performing assets	667	1,80,98,803	896	2,06,48,915	2,88,94,521	1,88,94,521
Assigned MRR A/c	-	-	-	-	-	-
<b>Total</b>	<b>49,913</b>	<b>1,36,58,06,648</b>	<b>62,004</b>	<b>1,28,02,47,868</b>	<b>2,88,94,521</b>	<b>1,88,94,521</b>
BC Loan	14,592	54,20,17,380	6,555	27,90,03,956		
<b>Total</b>		<b>1,90,78,24,028</b>				

These are classified as standard assets and Non performing assets in terms of Reserve Bank of India directions as laid down in Master Direction DNBR.PD.007/03.10.119/2016-17

The Non performing assets is 1.33% for the period ending 31st Mar 2022 as compared to 1.61% of total loan portfolio for the year ending 31st March 2021.

**3.03.3 Margin**

Margin Cap of the Company as on 31st March 2022 is 7.17%. This has been computed as per the norms prescribed by Reserve Bank of India in Master Direction DNBR.PD.007/03.10.119/2016-17

**3.03.4 Qualifying Assets**

As of 31st March 2022 91.68% of net assets of (Total assets excluding cash balance with Banks and financial institutions, Government Securities and Money Market Instruments) are in the nature of "Qualifying Assets" as defined in Master Direction DNBR.PD.007/03.10.119/2016-17.

**3.04 Earnings per share**

Reconciliation of basic and diluted shares used in computation of earnings per share

	31-Mar-22	31-03-21
Net profit as per Statement of profit and loss	2,77,99,498	3,14,33,169
Less: Arrears of cumulative preference dividend	-	-
Less: Dividend distribution tax	-	-
Net profit as per Statement of profit and loss for Basic EPS	2,77,99,498	3,14,33,169
Weighted average number of shares considered for computation of basic earnings per share	1,08,21,230	1,08,21,230
 Effect of Dilution		
Add: Effect of compulsorily convertible preference shares	72,32,485	72,32,485
Add: Effect of optionally convertible preference shares	50,50,000	50,50,000
Weighted average number of shares considered for computation of diluted earnings per share	2,31,03,715	2,31,03,715
 <b>Earning per share:</b>		
Basic	2.57	2.90
Diluted	1.20	1.36
Nominal value per share	10	10



**IDF FINANCIAL SERVICES PRIVATE LIMITED**  
**Significant accounting policies and notes on accounts**

\* All CCPS which are convertible into equity having completion of 7 years from the date of allotment have been extended for a further period of three years in the AGM dated 28th May, 2016, then tenure of the same shares were further extended for 3 years in the EGM held on 16th December, 2019 and dividend rate was increased to 9% from existing 6%. such conversion is to effect at fair value to be determined at the time of conversion. Since the fair value is not ascertainable the potential equity shares arising on such conversion cannot be determined. Hence, conversion ration of 1:1 is considered.

**3.05 Gratuity (As per AS 15, Employee Benefits)**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service entitled to a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life insurance corporation of India in the form of a qualifying insurance policy. Under this policy the eligible employees are entitled to receive gratuity payments upon their resignation or death in lump sum after deduction of necessary taxes over and above a maximum limit of Rs. 20,00,000.

The following tables summaries the components of net benefit expense recognized in the Statement of Profit and Loss Account and the funded status and amounts recognized in the Balance Sheet. The figures are as per the actuarial valuation report on gratuity issued by Saket Singhal (Acturial Fellow Membership No. 175).

**Expense recognised in the statement of Profit and Loss Account**

	31-Mar-22	31-Mar-21
Current service cost	7,78,603	7,47,013
Past service cost	-	-
Interest cost	3,35,368	2,91,498
Expected return on plan asset	(4,21,509)	(3,24,520)
Net actuarial (gain) / loss recognized in the year	(17,877)	(3,54,147)
Expenses recognisable in statement of Profit and Loss Account	<u>6,74,585</u>	<u>3,59,844</u>

**The amount to be recognised in the Balance Sheet**

	31-Mar-22	31-Mar-21
Present value of obligation at the end of the period	51,59,899	44,71,569
Fair value of plan assets as at the end of the period	57,35,641	56,20,117
Funded status / Difference	5,75,742	11,48,548
Excess of actual over estimated	-	-
Unrecognised actuarial (gains) / losses	-	-
Net asset / (liability) recognisable in the balance sheet	<u>5,75,742</u>	<u>11,48,548</u>

**Changes in present value of obligation**

	31-Mar-22	31-Mar-21
Present value of obligation at the beginning of the period	44,71,569	41,17,200
Acquisition adjustment	-	-
Interest cost	3,35,368	2,91,498
Current service cost	7,78,603	7,47,013
Past service cost	-	-
Benefits paid	-	(3,37,558)
Actuarial (gain) / loss on obligation	(4,25,641)	(3,46,584)
Present value of obligation at the end of the period	<u>51,59,899</u>	<u>44,71,569</u>

**Changes in the fair value of plan assets**

	31-Mar-22	31-Mar-21
Fair value of plan assets at the beginning of the period	56,20,117	45,83,610
Acquisition adjustment	-	-
Expected return on plan assets	4,21,509	3,24,520
Contributions	1,01,779	11,14,707
LIC charges	-	(72,725)
Benefits paid	-	(3,37,558)
Actuarial (gain) / loss on plan assets	(4,07,764)	7,563
Fair value of plan assets at the end of the period	<u>57,35,641</u>	<u>56,20,117</u>



IDF FINANCIAL SERVICES PRIVATE LIMITED  
Significant accounting policies and notes on accounts

**The Major categories of Plan assets**

	31-Mar-22	31-Mar-21
Government of India Securities	-	-
High Quality Corporate bonds	-	-
Equity Shares of listed companies	-	-
Property	-	-
Funds Managed by Insurer	100%	100%
Fair value of plan assets at the end of the period	100%	100%

**Principal Actuarial Assumptions**

	31-Mar-22	31-Mar-21
Discount Rate	7.50 PA	7.08 PA
Salary Growth Rate	7.00 PA	7.00 PA
Expected Rate of Return on Plan Assets	7.50 PA	7.08 PA
Retirement Age	60 Years	60 Years
Mortality Table	IALM (2012 - 2014)	IALM (2012 - 2014)
Employee Turnover / Attrition Rate	100%	100%
18-30 Years	3.00%	3.00%
30-45 Years	2.00%	2.00%
Above 45 Years	1.00%	1.00%

**Current / Non-Current Liability**

	31-Mar-22	31-Mar-21
Current Liability	1,11,889	89,018
Non-Current Liability	50,48,010	43,82,551
Net Liability	51,59,899	44,71,569

Expected Company's contribution for next year is ₹ 4,12,894/-

**3.06 Ratios**

Particulars	Ratio	Numerator	Denominator
(a) Current Ratio	1.35	Current Assets	Current Liabilities
(b) Debt-Equity Ratio	4.22	Total Debt	Total Shareholder's Equity
(c) Debt Service Coverage Ratio	1.29	Net operating Income	Debt Service
(d) Return on Equity Ratio	16.94%	Net Income	Average Shareholder's Equity
(e) Inventory Turnover Ratio	NA	Cost of Goods Sold	Average Inventory
(f) Trade Receivable Turnover Ratio	NA	Net Credit Sales	Average Account Receivables
(g) Trade Payables Turnover Ratio	NA	Net Credit Purchases	Average Accounts Payable
(h) Net Capital Turnover Ratio	NA	Working Capital	Turnover
(i) Net Profit Ratio	13%	Net Profit	Revenue
(j) Return on Capital Employed	19%	EBIT	Capital Employed
(k) Return on Investment	25.49%	Net Return on Investment	Cost of Investment

**3.06 Related party disclosures**

**3.6.1 Names of related parties and nature of relationship**

Description of relationship	Nature of relationship
(i) Key managerial personnel Mr. Vivekanand Naganagouda Salimath Mr. Naganagouda Marigouda Patil	Chairman Managing Director
ii) Other related parties IDF Sujeevana Federation – Kunigal IDF SHG Federation – Dharwad	Shareholder Shareholder



3.6.2 Nature of transactions with related parties

Name of related party	Nature of transaction	Type	31-Mar-22	31-Mar-21
Mr. Vivekanand N Salimath	Remuneration	Payment	30,10,515	26,65,080
Mr. Naganagouda M Patil	Remuneration	Payment	30,10,515	26,65,080
IDF SHG Federation Dharwad	Issue of Preference share	Receipt	-	3,00,00,000
IDF Sujeevana Federation Kunigal	Issue of Preference share	Receipt	-	60,00,000
Swavalambava Trust	Issue of Preference share	Receipt	60,00,000	-

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and Advances in the nature of loans
Promoter	0	0
Directors	0	0
KMPs	0	0
Related Parties	0	0

3.07 Earnings and expenditure in foreign currency

	31-Mar-22	31-Mar-21
Earnings	Nil	Nil
Expenditure	Nil	Nil

3.08 Leases

The Company has taken certain offices and residential premises/ facilities under operating lease/ sub-lease agreements. The lease agreements generally have an escalation clause and are not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by lease/ sub-lease agreements. The aggregate lease rental of ₹ 65,12,204/- have been charged to the Statement of Profit and Loss for the period ended 31-03-2022.

3.09 Rating

Brickwork Ratings India Pvt Ltd (BWR) have assigned ratings for the Fund based - Long Term facilities availed by the company as BWR BBB- (Pronounced as BWR Triple B Minus) Outlook:Positive ; as per letter dated 28.12.2021. [Previous rating BBB- (Pronounced as BWR Triple B Minus) Outlook:Stable.]

3.10 Prior year comparatives

The previous year's figures are regrouped /reclassified wherever necessary to conform to the current year's presentation.

for IDF Financial Services Private Limited

As per our report of even date  
for CHETAN PADAKI & ASSOCIATES  
CHARTERED ACCOUNTANT  
F.R.No. 011274S  
CA CHETAN PADAKI  
PARTNER  
Mem.No.216929



Prashant Hegde  
Company Secretary

V N Salimath N M Patil  
Chairman Managing Director  
DIN: 0253109 DIN: 1674210

Date : 15/06/2022  
Place: Bengaluru

**IDF FINANCIAL SERVICES PRIVATE LIMITED**

**Notes to the financial statements as at March 31st, 2022**

**Note 2.08 : Property, Plant and Equipment and Intangible assets**

PARTICULARS	GROSS BLOCK		DEPRECIATION				NET BLOCK	
	As on March 31st, 2021	Additions for the year	As on Mar 31st, 2022	Up to March 31st, 2021	Additions for the year	Deletion for the year	As on Mar 31st, 2022	As on Mar 31st, 2022
<b>A. Tangible assets</b>								
Computer and Accessories	78,21,377	7,64,244	85,85,621	72,31,590	6,08,550	-	78,40,140	7,45,481
Furniture and Fixtures	24,75,239	83,870	25,59,109	20,58,023	1,08,370	-	21,66,393	3,92,716
Vehicle	16,96,935	-	16,96,935	13,15,564	1,19,102	-	14,34,666	2,62,269
Office Equipment	30,17,228	450	30,17,678	29,51,649	29,556	-	29,81,205	36,473
<b>Total [A]</b>	<b>1,50,10,779</b>	<b>8,48,565</b>	<b>1,58,59,344</b>	<b>1,35,56,826</b>	<b>8,65,579</b>	<b>-</b>	<b>1,44,22,405</b>	<b>14,36,939</b>
								<b>14,53,953</b>

Date : 15/06/2022  
Place: Bengaluru



## FINANCIAL PARTNERS



## OPERATIONAL PARTNERS

### TECHNOLOGY



### CREDIT BUREAU



### RATINGS PARTNERS



### Statutory Auditors

M/s Chetan Padaki & Associates,  
Chartered Accountants



**IDF Financial Services Private Limited**

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