

MANISH SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS



MANISH KUMAR SHARMA

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
HINDUSTHAN MICROFINANCE PRIVATE LIMITED
[CIN: U99999MH1996PTC101376]
MUMBAI

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **HINDUSTHAN MICROFINANCE PRIVATE LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at **31st March 2024**, the Standalone Statement of Profit and Loss and the Standalone Cash Flow Statement for the year then ended, and notes to the Standalone financial statements, including a summary of the significant accounting policies and other explanatory information (collectively referred to as the 'standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at **31st March, 2024** and its **Profit**, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (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 Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the standalone financial statements as per 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 standalone 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.



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HINDUSTHAN MICROFINANCE PRIVATE LIMITED [CIN: U99999MH1996PTC101376] INDEPENDENT AUDITORS' REPORT (Contd.)

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information required under section 134(3) of the Act as included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and 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 standalone financial statements that give a true and fair view of state of affairs, profit 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



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HINDUSTHAN MICROFINANCE PRIVATE LIMITED [CIN: U99999MH1996PTC101376] INDEPENDENT AUDITORS' REPORT (Contd.)

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

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

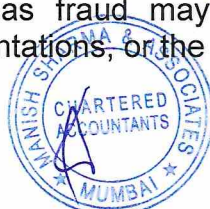
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors Responsibility for the Audit of the Standalone Financial Statements

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

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

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



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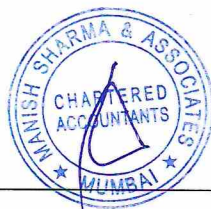
INDEPENDENT AUDITORS' REPORT (Contd.)

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 auditors' 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



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HINDUSTHAN MICROFINANCE PRIVATE LIMITED [CIN: U99999MH1996PTC101376] INDEPENDENT AUDITORS' REPORT (Contd.) "5"

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.



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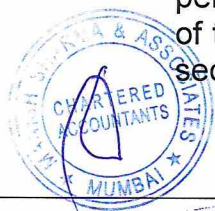
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INDEPENDENT AUDITORS' REPORT (Contd.)

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- e. On the basis of the written representations received from the directors as on 31st March, 2024 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 1.6 to the financial statements;
- (ii) The Company has long-term contracts for which there were no material foreseeable losses. The company has no derivative contracts; and
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (ii) The management has also represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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INDEPENDENT AUDITORS' REPORT (Contd.)

"7"

Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

- (v) The Company has neither declared nor paid any dividend during the year on its equity shares however the Company had paid dividend at stipulated rate on One Time Convertible Preference Shares. Also, company has made provision for prorata dividend, at the stipulated rate on Optionally Convertible Preference Shares issued during the year.
- (vi) Based on our examination which includes test checks, the company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has been operating throughout the year for all the transactions recorded in the software. With respect to maintaining loan management information, the feature of recording the Audit Trail (edit log) has not been enabled. Further, we did not come across any instances of audit trail feature been tampered with. The audit trail has been preserved by the company as per the statutory requirements for record retention.

For MANISH SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm's Registration No. 114959W)



MANISH KUMAR SHARMA
Partner
M. No. 045037

PLACE : MUMBAI
DATE : 13th August, 2024
UDIN : 24045037BKARKQ6017

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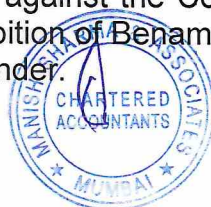
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ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements”
section of our report of even date)

**Report on Companies (Auditor's Report) Order, 2020 ("the Order") issued
by the Central Government of India in terms of sub-section (11) of Section
143 of the Companies Act, 2013 ("the Act") of HINDUSTHAN MICROFINANCE
PRIVATE LIMITED ("the Company") on the standalone financial statements for
the year ended 31st March 2024, we report that:**

- (i) In respect of Property, Plant and Equipment :
- (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
B. As explained to us during the year under review the Company does not have any intangible assets. Therefore, the provisions of Clause 3(i) (a) (b) of the Order are not applicable to the Company.
 - (b) The Company has a regular program of physical verification of these Property, Plant and Equipment by which all the such assets are verified in a phased manner, every year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The Company does not own any immovable properties (other than properties where the company is the lessee / licensee and the lease / license agreements are duly executed in favour of the lessee / licensee). Therefore, the provisions of Clause 3(i) (c) of the Order are not applicable to the Company.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.



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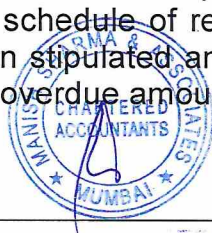
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**Annexure “A” referred to in our report to the members of HINDUSTHAN
MICROFINANCE PRIVATE LIMITED on the standalone financial
statements of the company for the year ended 31st March 2024 (Contd.)
“9”**

- (ii) (a) The Company is a Non-Deposit Accepting Non-Banking Financial Company — Microfinance Institution ('NBFC — MFI'), engaged in the business of providing micro credit. Accordingly, it does not hold any physical inventory. Hence, Clause 3(ii) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in the nature of cash credit limits and term loans, in excess of five crore rupees, in aggregate, from banks, financial institutions or non banking financial companies on the basis of the security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financials are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us, the Company has not made any investments in or provided security or granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships however being Non-Deposit Accepting Non-Banking Financial Company — Microfinance Institution ('NBFC — MFI'), engaged in the business of providing micro credit, it has provided loans in the course of its business to other parties.
- (a) The Company is a Non-Deposit Accepting Non-Banking Financial Company — Microfinance Institution ('NBFC — MFI'), engaged in the business of providing micro credit. Hence, Clause 3(iii) (a) of the Order is not applicable to the Company.
- (b) During the year under review, the Company has not made any investments or provided any guarantees or given any securities or granted any advances in the nature of loans, however, as explained to us and on the basis of records produced for our verification the terms and conditions of the grant of all loans provided in the course of business, as specified in Para 3(iii) herein above are not prejudicial to the company's interest;
- (c) As explained to us and on the basis of records produced for our verification in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular except the overdue amounts detailed in Para 3(iii) (d) herein below ;



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**Annexure “A” referred to in our report to the members of
HINDUSTHANMICROFINANCE PRIVATE LIMITED
on the standalone financial statements of the company for the year
ended 31st March 2024 (Contd.)**

“10”

- (d) As at the end of the year under review a sum of Rs. 15,83,452/- is overdue for more than ninety days in respect of loans granted during the course of its business. As explained to us the Company has taken reasonable steps for recovery of the principal and interest and in this regard has followed Guidelines and Income Recognition and Assets Classification Provisioning Norms prescribed by Reserve Bank of India;
- (e) The Company is a Non-Deposit Accepting Non-Deposit Accepting Non-Banking Financial Company — Microfinance Institution ('NBFC — MFI'), engaged in the business of providing micro credit. Hence, Clause 3(iii) (e) of the Order is not applicable to the Company.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances during the year in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) According to the information and explanations given to us and in our opinion, the Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for any of the services rendered by the Company. Therefore, reporting under clause 3(vi) of the Order is not applicable to the Company.



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**Annexure “A” referred to in our report to the members of
HINDUSTHAN MICROFINANCE PRIVATE LIMITED
on the standalone financial statements of the company for the year
ended 31st March 2024 (Contd.)**

“11”

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of Excise, Sales Tax and Value added tax during the year under audit.

Effective 1st July, 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income – Tax, Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in one few cases of Provident Fund.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, provident Fund, Employees State Insurance, Income – Tax, Cess or other statutory dues were in arrears as at 31st March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations 'given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, provident Fund, Employees State Insurance, Income – Tax, Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 (43 of 1961) as income during the year.



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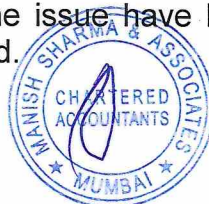
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“12”**

- (ix) According to the information and explanations given to us, and on the basis of our examination of the records of the Company in respect of borrowings:
- (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - (c) In our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
 - (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, fund raised on short term basis have, prima facie, not been used during the year for long term purposes by the company.
 - (e) The Company has no subsidiary (ies), therefore, reporting under clause 3 (ix) (e) of the Order is not applicable to the Company.
 - (f) The Company has no subsidiary (ies), therefore, reporting under clause 3 (ix) (f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised monies by way of initial public offer or further public offer (including debt instruments).
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment of shares or fully or partly convertible debentures during the year. In respect of Private placement of Optionally convertible redeemable preference shares made during the year, the company has duly complied with provisions of section 62 of the Act. The proceeds from the issue have been used for the purpose for which the funds were raised.



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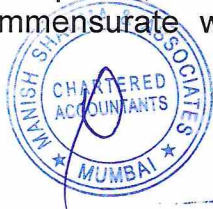
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503, Kesar Kunj,
Telly Gully Cross Road,
Near Andheri Fly Over Bridge,
Andheri (E), Mumbai – 400 069.
Tel.: 83690 55672 / 80808 26788
Mobile: 93242 26788
e-mail: msasso.ca@gmail.com

**Annexure “A” referred to in our report to the members of HINDUSTHAN
MICROFINANCE PRIVATE LIMITED on the standalone financial
statements of the company for the year ended 31st March 2024 (Contd.)
“13”**

- (xi) (a) According to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, no fraud by the Company and no material fraud on the company has been noticed or reported during the year except for few instances of cash shortages at the employees level aggregating to Rs. 3,04,200/- identified by the Company. As per the information provided to us, a sum of Rs. 2,29,200/- of cash shortages has been recovered from the respective employees involved, within the year itself. Regarding the amount remaining un-recovered as on 31st March, 2024, necessary provisions has been made in the books of accounts. The company has terminated the services of employees involved in such instances.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed in form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by applicable accounting standards (AS 18), Related Party Disclosures specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.



Contd...14

MANISH SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS

MANISH KUMAR SHARMA

**B. Com., F. C. A., DISA(ICAI), FAFD(ICAI),
LL.B.**



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**Annexure “A” referred to in our report to the members of HINDUSTHAN
MICROFINANCE PRIVATE LIMITED on the standalone financial
statements of the company for the year ended 31st March 2024 (Contd.)
“14”**

- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable, therefore, reporting under clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 as “Non Banking Finance Company – Micro Finance Institution”.
- (b) During the year:
- The Company has not conducted any Non-Banking Financial activities without a valid certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934.
 - The Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.
- (c) The Company is not a Core Investment Company (CIC) and accordingly reporting under clause (xvi)(c) of the Order is not applicable.
- (d) The Group does not have any CIC as part of the group and accordingly reporting under clause(xvi) (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.



Contd...15

MANISH SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS



MANISH KUMAR SHARMA

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**Annexure “A” referred to in our report to the members of HINDUSTHAN
MICROFINANCE PRIVATE LIMITED on the standalone financial
statements of the company for the year ended 31st March 2024 (Contd.)
“15”**

- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) Corporate Social Responsibility (CSR) provisions as specified in Schedule VII read together with second proviso to sub-section (5) of section 135 of the said act are not applicable to the Company & (b) and hence reporting in Clause 3 (xx) (a) and Clause 3 (xx) (b) of the Order are not applicable to the Company.
- (xxi) Since the Company has no subsidiary company(ies) and therefore reporting in Clause 3 (xxi) of the Order is not applicable to the Company.

**For MANISH SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm's Registration No. 114959W)**



MANISH KUMAR SHARMA
Partner
M. No. 045037

PLACE : MUMBAI
DATE : 13th August, 2024
UDIN : 24045037BKARKQ6017

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MANISH SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS

MANISH KUMAR SHARMA

**B. Com., F. C. A., DISA(ICAI), FAFD(ICAI),
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“16”

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under “Report on Other Legal and Regulatory Requirements”
section of our report of even date)

**Report on the Internal Financial Controls with reference to Standalone
Financial Statements under Clause (i) of Sub-section 3 of the Section 143 of
the Companies Act, 2013 (“the Act”) of HINDUSTHAN MICROFINANCE
PRIVATE LIMITED (“the Company”) for the year ended 31st March 2024**

We have audited the internal financial controls with reference to standalone financial
statements of **Hindusthan Microfinance Private Limited** (“the Company”) as of
31st March, 2024 in conjunction with our audit of the standalone financial
statements of the Company for the year ended on that date.

Opinion

In our opinion, **HINDUSTHAN MICROFINANCE PRIVATE LIMITED** (“the
Company”) has, in all material respects, an adequate internal financial controls
system with reference to Standalone Financial Statements and such internal
financial controls with reference to Standalone Financial Statements were operating
effectively as at **31st March, 2024**, based on the internal control over financial
reporting criteria established by the Company considering the essential components
of internal control stated in the Guidance Note on Audit of Internal Financial Controls
Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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



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MANISH SHARMA & ASSOCIATES CHARTERED ACCOUNTANTS



MANISH KUMAR SHARMA

B. Com., F. C. A., DISA(ICAI), FAFD(ICAI),
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**Annexure “B” referred to in our report to the members of HINDUSTHAN
MICROFINANCE PRIVATE LIMITED with reference to Standalone
Financial Statements of the company for the year ended 31st March 2024
(Contd.)**

“17”

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

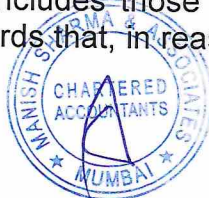
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with respect to standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding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

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with the generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and

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MANISH SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS

MANISH KUMAR SHARMA

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**Annexure “B” referred to in our report to the members of HINDUSTHAN
MICROFINANCE PRIVATE LIMITED with reference to Standalone
Financial Statements of the company for the year ended 31st March 2024
(Contd.)
“18”**

fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls with reference to
Standalone Financial Statements**

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

**For MANISH SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm's Registration No. 114959W)**



PLACE : MUMBAI
DATE : 13th August, 2024
UDIN : 24045037BKARKQ6017

MANISH KUMAR SHARMA
Partner
M. NO. 45037

HINDUSTHAN MICROFINANCE PRIVATE LIMITED

CIN : U99999MH1996PTC101376

Balance Sheet as at 31st March, 2024

		Amount in Rs.	
		Figures as at the end of Current Reporting period [As at 31.03.2024] (Rs.)	Figures as at the end of Previous Reporting period [As at 31.03.2023] (Rs.)
	Particulars	Note	
I. EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUND			
Share Capital	2.1	13,01,31,750.00	12,01,31,750.00
Reserves and Surplus	2.2	1,82,05,928.57	98,95,561.51
		14,83,37,678.57	13,00,27,311.51
2 NON - CURRENT LIABILITIES			
Long-term borrowings	2.3	8,25,21,524.00	17,58,29,168.72
Long-term provisions	2.4	9,53,134.00	11,53,584.00
		8,34,74,658.00	17,69,82,752.72
3 CURRENT LIABILITIES			
Short-term borrowings	2.5	12,05,68,184.08	11,99,76,262.12
Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises; and	2.6a	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.6a	19,55,184.69	21,54,516.66
Other current liabilities	2.6b	3,52,50,658.07	1,72,67,466.65
Short-term provisions	2.7	8,86,562.00	96,94,726.00
		15,86,60,588.84	14,90,92,971.43
Total		39,04,72,925.41	45,61,03,035.66
II. ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment and Intangible assets			
Property, Plant and Equipment	2.8	1,21,09,178.58	90,73,873.35
Loan portfolio	2.9a	6,83,50,221.00	8,92,39,766.00
Other Non Current Assets	2.9b	71,26,773.58	3,14,67,100.00
		8,75,86,173.16	12,97,80,739.35
Non-current investments		-	2,000.00
Deferred Tax Assets (net)		37,92,904.00	57,99,900.00
		37,92,904.00	58,01,900.00
CURRENT ASSETS			
(a) Cash and cash equivalents	2.10	1,80,51,197.89	3,93,59,094.18
(b) Sundry Debtors	2.11	4,05,19,420.73	3,53,22,164.00
(c) Loan portfolio	2.12	15,18,53,868.00	21,19,61,689.00
(d) Other Current Assets	2.13	8,86,69,361.63	3,38,77,449.13
		29,90,93,848.25	32,05,20,396.31
Total		39,04,72,925.41	45,61,03,035.66
Significant Accounting Policies and Notes on Accounts		1	

As per our report of even date
For MANISH SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm's Registration No.: 114959W)


MANISH KUMAR SHARMA
PARTNER
M. NO. 045037
UDIN : 24045037BKARKQ6017

FOR HINDUSTHAN MICROFINANCE PVT. LTD.
CIN : U99999MH1996PTC101376

 Anil Madhav
Chairman & Managing Director
DIN : 01651793

 Satish Kumar G. Rao
Executive Director
DIN : 06994327

Place : Mumbai
Dated : 13th August, 2024

 Pooja Rohit Jain
Company Secretary:: M. No : A36270

HINDUSTHAN MICROFINANCE PRIVATE LIMITED

CIN : U99999MH1996PTC101376

Statement of Profit and Loss for the year ended 31st March, 2024

Amount in Rs.

Particulars	Note	Figures for the Current Reporting Period ended 31.03.2024 (Rs.)	Figures for the Previous Reporting Period ended 31.03.2023 (Rs.)
Revenue from operations	2.14	45,63,06,114.78	34,44,40,419.82
Other Interest Income (IT Refund)		2,07,496.00	4,85,015.00
Total Income		45,65,13,610.78	34,49,25,434.82
Expenses			
Employee benefit expense	2.15	34,09,65,946.28	23,96,34,048.21
Financial costs	2.16	2,96,60,350.27	2,62,19,409.00
Depreciation and amortization expense	2.8	63,56,908.44	49,00,979.78
Other expenses	2.17	7,01,79,446.67	6,80,18,190.67
Total Expenses		44,71,62,651.66	33,87,72,627.66
PROFIT BEFORE TAX AND EXCEPTIONAL ITEM		93,50,959.12	61,52,807.16
Tax Expenses			
Current Tax	2.18	14,27,479.00	6,63,066.00
Tax paid for Earlier years	2.18	50,690.00	-
Deferred Tax	2.18	20,06,996.00	18,61,831.00
PROFIT AFTER TAX BEFORE EXCEPTIONAL ITEM		58,65,794.12	36,27,910.16
Extraordinary Items		-	-
PROFIT AFTER TAX AND EXCEPTIONAL ITEM		58,65,794.12	36,27,910.16
EARNINGS PER EQUITY SHARE			
Equity Shares of par value Rs. 10/- each			
Before Exceptional Item			
Basic	1.2	0.46	0.30
Diluted	1.2	0.46	0.30
After Exceptional Item			
Basic	1.2	0.46	0.30
Diluted	1.2	0.46	0.30
Weighted Average Number of shares used in computing earnings per shares			
Basic	1.2	1,10,13,175	1,10,13,175
Diluted	1.2	1,10,13,175	1,10,13,175
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1		

As per our report of even date

For MANISH SHARMA & ASSOCIATES

CHARTERED ACCOUNTANTS

(Firm's Registration No. 114959W)

MANISH KUMAR SHARMA

PARTNER

M. NO. 045037

UDIN : 24045037BKARKQ6017

Place : Mumbai

Dated : 13th August, 2024

FOR HINDUSTHAN MICROFINANCE PVT. LTD.

CIN: U99999MH1996PTC101376

Anil L. Jadhav

Chairman & Managing Director

DIN : 01651793

Satishkumar G. Rao

Executive Director

DIN : 06994327

Pooja Rohit Jain

Company Secretary:: M. No : A36270

HINDUSTHAN MICROFINANCE PVT. LTD.
CIN : U99999MH1996PTC101376
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2024

Amount in Rs.

	Particulars	For The year ended 31/03/2024	For The year ended 31/03/2023
A	Cash flow from Operating Activities:		
	Net Profit before Tax as per Statement of Profit and Loss	93,50,959.12	61,52,807.16
	Add : Depreciation	63,56,908.44	49,00,979.78
	Add : Finance Cost	2,96,60,350.27	2,62,19,409.00
	Less : Interest on Income Tax Refund	(2,07,496.00)	(4,85,015.00)
	Add / (Less) : Contingent provisions for standard assets	(2,00,450.00)	(19,02,384.00)
	Add / (Less) : MAT Credit	3,72,142.00	8,18,592.00
	Operating Cash flow before Working Capital Changes	4,53,32,413.83	3,57,04,388.94
	Adjusted for:		
	Increase/(Decrease) in Trade and Other Payables	1,77,83,859.45	(1,63,36,195.77)
	(Increase)/Decrease in Trade and Other Receivables including Loans	5,80,22,357.87	1,71,25,297.54
	Cash generated from operations	12,11,38,631.15	3,64,93,490.71
	Direct Taxes Paid	(14,78,169.00)	(6,63,066.00)
	Net Cash Inflow/(Outflow) in the course of Operating Activities	11,96,60,462.15	3,58,30,424.71
B	Cash flow from Investing Activities:		
	Purchase of Fixed Assets	(93,92,213.67)	(56,42,354.03)
	Sale of Investment of Debt / Mutual funds	2,000.00	-
	Net Cash Inflow / (Outflow) in the course of Investing Activities	(93,90,213.67)	(56,42,354.03)
C	Cash flow from Financing Activities:		
	Proceeds From Issue of Share Capital Including Premium	1,00,00,000.00	(1,00,00,000.00)
	Proceeds From Short Term Borrowings (Net)	5,91,921.96	3,52,72,144.24
	Proceeds From Long Term Borrowings	8,55,00,000.00	12,83,85,000.00
	Repayment of Long Term Borrowings	(17,88,07,644.72)	(11,92,22,501.96)
	Finance Cost	(2,96,60,350.27)	(2,62,19,409.00)
	Dividend payout on Preference shares including tax	(99,83,097.00)	(1,12,192.00)
	Income tax refund / Interest on Income Tax Refund	2,07,496.00	4,85,015.00
	Net Cash (Outflow) in the course of Financing Activities	(12,21,51,674.03)	85,88,056.28
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(1,18,81,425.55)	3,87,76,126.96
	Cash and Cash Equivalents at the beginning of the year	8,73,33,637.65	4,85,57,510.69
	Cash and Cash Equivalents at the end of the year (Note A)	7,54,52,212.10	8,73,33,637.65

		As at 31st March	
NOTE	Particulars	2024	2023
A:		2,73,603.75	4,00,020.75
	Cash in hand		
	Balances with Banks	1,77,77,594.14	3,89,59,073.43
	- in Current accounts	5,74,01,014.21	4,79,74,543.47
	- in Deposit accounts		
		7,54,52,212.10	8,73,33,637.65

As per our report of even date
For **MANISH SHARMA & ASSOCIATES**
CHARTERED ACCOUNTANTS
(Firm's Registration No. 114959W)

MANISH KUMAR SHARMA
PARTNER
M. NO. 045037
UDIN : 24045037BKARKQ6017



Place : Mumbai
Dated : 13th August, 2024

FOR HINDUSTHAN MICROFINANCE PVT. LTD.
CIN: U99999MH1996PTC101376



Anil L. Jadhav Chairman & Managing Director
DIN : 01651793

Satishkumar G. Rao Executive Director
DIN : 06994327

Pooja Rohit Jain

Company Secretary:: M. No : A36270

HINDUSTHAN MICROFINANCE PRIVATE LIMITED
CIN: U99999MH1996PTC101376

1 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2024
Amount in financial statement are presented in Absolute Indian Rupee terms

Particulars	Amount in Rs. As at 31st March	
	2024	2023
2.3 LONG TERM BORROWING		
A) Term Loan Secured		
(A) From Bank (Against Hypothecation of Book-Debts)	2,96,88,200.00	11,74,44,168.72
(B) From Other Parties - NBFC's (Against Hypothecation of Book-Debts)	2,73,33,324.00	-
B) Subordinate Fund - Unsecured		
(A) From Bank IDFC Bank [Earlier - Capital First Ltd. (CFL)] - Tier II funding [Previous Year: Term Loan Facilities were secured by hypothecation of relevant assets of the Company against which term loan was sanctioned. The facilities are additionally secured by collateral security of personal guarantees of the Directors.]	-	5,00,00,000.00
In respect of borrowings from banks and financial institutions on the basis of security of current assets - quarterly returns or statements of current assets filed by the Company with such banks or financial institutions are in agreement with the books of accounts.		
The Company has registered all the charges or satisfaction with the Registrar of Companies within the statutory period.		
Loans and Advances from related parties	2,55,00,000.00	83,85,000.00
C) Unsecured Loan from Directors		
TOTAL	8,25,21,524.00	17,58,29,168.72

Particulars	Amount in Rs. As at 31st March	
	2024	2023
2.4 LONG TERM PROVISIONS		
Contingent provision / Provision against outstanding loan portfolio	9,53,134.00	11,53,584.00
TOTAL	9,53,134.00	11,53,584.00

Particulars	Amount in Rs. As at 31st March	
	2024	2023
2.5 SHORT TERM BORROWING		
Working Capital - Secured		
(A) Cash Credit From Bank (Against Hypothecation of Book-Debts)	89,03,636.32	99,76,270.12
Working Capital facilities are secured by way of hypothecation of movable assets of the Company and are additionally secured by collateral security of personal guarantees of the Directors		
Term Loans - Secured (Installments falling due in next 12 months)		
(B) From Banks (Against Hypothecation of Book-Debts)	8,66,64,539.76	10,99,99,992.00
(C) From NBFCs (Against Hypothecation of Book-Debts)	2,50,00,008.00	-
Loans and Advances from related parties	-	-
(D) Unsecured Loan from Directors	-	-
TOTAL	12,05,68,184.08	11,99,76,262.12

Particulars	Amount in Rs. As at 31st March	
	2024	2023
2.6a TRADE PAYABLE		
Trade Payable		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	19,55,184.69	21,54,516.66
For Goods and services (Including dues to parties in whom directors are interested)		
Note : Steps have been taken to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at the date of financials, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.		
TOTAL	19,55,184.69	21,54,516.66



Signature

HINDUSTHAN MICROFINANCE PRIVATE LIMITED

CIN: U99999MH1996PTC101376

1 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2024

Amount in financial statement are presented in Absolute Indian Rupee terms

Trade Payables ageing schedule: As at 31st March, 2024

Outstanding for following periods from due date of payment

Particulars	Amount in Rs.			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	-	-	-
(ii) Others	19,55,184.69	-	-	-
(iii) Disputed dues- MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
Total	19,55,184.69	-	-	-

Trade Payables ageing schedule: As at 31st March, 2023

Outstanding for following periods from due date of payment

Particulars	Amount in Rs.			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	-	-	-
(ii) Others	21,54,516.66	-	-	-
(iii) Disputed dues- MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
Total	21,54,516.66	-	-	-

Trades Payable - Disclosures relating to MSME:

Particulars	Amount in Rs.	
	As at 31st March	
	2024	2023
Provisions		
Unpaid principal amount	-	-
Interest due at the end of accounting year;	-	-
Amount of interest paid by the buyer in terms of MSME Act	-	-
Amount of interest due and payable for the period of delay in making payment without adding the interest specified under MSME Act;	-	-
Amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues are actually paid	-	-
Total	-	-

2.6b OTHER CURRENT LIABILITIES

Particulars	Amount in Rs.	
	As at 31st March	
	2024	2023
Current Liabilities :		
BC Collection Refundable account	24,87,333.50	11,88,396.00
Others including GST, TDS and Expenses	3,27,63,324.57	1,60,79,070.65
Total	3,52,50,658.07	1,72,67,466.65

2.7 SHORT-TERM PROVISIONS

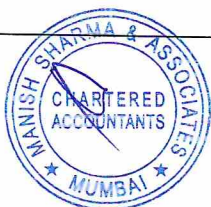
Particulars	Amount in Rs.	
	As at 31st March	
	2024	2023
Provision for :		
Income Tax on income	14,27,479.00	6,63,066.00
Less : Taxes Paid for the Current Year	(14,27,479.00)	(6,63,066.00)
Provision for Dividend on Preference shares	8,86,562.00	96,94,726.00
TOTAL	8,86,562.00	96,94,726.00

2.9a NON CURRENT ASSETS : LOAN PORTFOLIO

Particulars	Amount in Rs.	
	As at 31st March	
	2024	2023
Portfolio Loans		
Loans under Joint Liability Scheme & Other Schemes		
Unsecured, considered good	6,83,50,221.00	8,92,39,766.00
Unsecured, considered doubtful	-	-
TOTAL	6,83,50,221.00	8,92,39,766.00

2.9b NON CURRENT ASSETS : OTHERS

Particulars	Amount in Rs.	
	As at 31st March	
	2024	2023
Security Deposits towards borrowings		
- Maturity more than 12 months	-	3,14,00,000.00
- With Scheduled Banks	-	67,100.00
- With Others	-	-
Staff Gratuity Plan Asset	71,26,773.58	-
TOTAL	71,26,773.58	3,14,67,100.00



HINDUSTHAN MICROFINANCE PRIVATE LIMITED
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1 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2024
Amount in financial statement are presented in Absolute Indian Rupee terms

2.10 CASH AND CASH EQUIVALENTS

Particulars	Amount in Rs. As at 31st March	
	2024	2023
Cash on Hand	2,73,603.75	4,00,020.75
Balance with banks		
Balance with Scheduled banks - in Current Accounts	1,77,56,598.76	3,88,98,716.05
Balance with Other banks - in Current Accounts	20,995.38	60,357.38
TOTAL	1,80,51,197.89	3,93,59,094.18

2.11 TRADE RECEIVABLES

Particulars	Amount in Rs. As at 31st March	
	2024	2023
Sundry Debtors :		
(Unsecured but considered good)		
Debts outstanding for period exceeding 6 months	3,36,82,587.00	3,92,96,352.00
Less : Provision for Bad debts	(56,13,765.00)	(56,13,765.00)
Less : Bad debts Written Off		
Other Debts	1,24,50,598.73	16,39,577.00
TOTAL	4,05,19,420.73	3,53,22,164.00

Trade Receivables ageing schedule as at 31st March, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,24,50,598.73	-	-	-	-	1,24,50,598.73
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	2,80,68,822.00	2,80,68,822.00
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	16,39,577.00	-	-	-	-	16,39,577.00
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables considered good	-	-	-	-	3,36,82,587.00	3,36,82,587.00
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-

2.12 SHORT - TERM LOANS AND ADVANCES

Particulars	Amount in Rs. As at 31st March	
	2024	2023
Portfolio Loans		
Loans under Joint Liability Scheme & Other Schemes		
Unsecured, considered good	15,18,53,868.00	21,19,61,689.00
Unsecured, considered doubtful	-	-
	15,18,53,868.00	21,19,61,689.00
Staff loans		
Unsecured, considered good	-	-
TOTAL	15,18,53,868.00	21,19,61,689.00



HINDUSTHAN MICROFINANCE PRIVATE LIMITED

CIN: U99999MH1996PTC101376

1 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2024

Amount in financial statement are presented in Absolute Indian Rupee terms

2.13 OTHER CURRENT ASSETS

Amount in Rs.

Particulars	As at 31st March	
	2024	2023
<u>Security Deposits towards borrowings-Banks</u>		
- Maturity less than 12 months		
- With Scheduled Banks	3,68,07,231.00	1,51,14,821.00
- With Others	80,440.00	13,340.00
<u>Security Deposits towards borrowings - NBFCs</u>		
- Maturity less than 12 months	50,00,000.00	-
<u>Balance in Fixed Deposits Accounts</u>		
- Maturity less than 12 months	1,25,00,000.00	-
<u>Interest Accrued on Fixed Deposits</u>		
- Maturity less than 12 months	30,93,783.21	14,59,722.47
<u>Other Loans and advances including Deposits</u>		
Other Advances (advances recoverable in cash or in kind or for the value to be received)	1,39,48,914.15	1,08,79,718.66
Unbilled Revenue	8,29,656.80	-
Deferred Revenue Expenditure	86,19,196.47	-
Other Deposits	77,90,140.00	64,09,847.00
TOTAL	8,86,69,361.63	3,38,77,449.13

2.14 INCOME FROM OPERATIONS

Amount in Rs.

Particulars	As at 31st March	
	2024	2023
Service Charges & Other Income (Gross inclusive of indirect taxes)	42,33,55,754.00	31,52,24,041.00
Interest earned on Deposits	29,01,460.74	23,26,157.00
Interest on advances- Financing Activities	9,31,84,739.00	7,38,73,807.00
Profit from redemption of mutual funds	14,53,980.04	11,18,942.82
	52,08,95,933.78	39,25,42,947.82
Less : Indirect tax on Revenue	(6,45,89,819.00)	(4,81,02,528.00)
TOTAL	45,63,06,114.78	34,44,40,419.82

EXPENSES

Amount in Rs.

Particulars	As at 31st March	
	2024	2023
<u>SCHEDULE 2.15</u>		
<u>Employees benefit expenses</u>		
Director's remuneration	1,68,00,000.00	1,68,00,000.00
Salaries and bonus	29,05,49,428.20	19,87,23,933.71
Stipend & Training Charges	95,855.00	3,38,541.00
Contribution to ESIC	48,78,789.00	41,53,345.00
Contribution to Provident and other funds	2,34,69,457.00	1,54,60,130.50
Gratuity	18,48,246.48	24,25,404.00
Group Insurance	33,24,170.60	17,32,694.00
	34,09,65,946.28	23,96,34,048.21
<u>SCHEDULE 2.16</u>		
<u>Financial Cost</u>		
Interest Paid to Bank - Working Capital	4,17,172.00	5,97,623.00
Interest paid on Term Loan	2,92,33,577.27	2,56,21,755.00
Interest paid - Others	9,601.00	31.00
	2,96,60,350.27	2,62,19,409.00



HINDUSTHAN MICROFINANCE PRIVATE LIMITED
CIN: U99999MH1996PTC101376

1 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2024
Amount in financial statement are presented in Absolute Indian Rupee terms

Particulars	Amount in Rs.	
	As at 31st March	
	2024	2023
SCHEDULE 2.17		
Other Expenses	75,94,820.33	65,60,453.00
Professional Fees		
Auditors Fees :	2,50,000.00	2,50,000.00
Statutory Audit	1,25,000.00	50,000.00
Tax Audit	32,59,825.30	27,79,930.50
Printing and Stationery	6,18,407.00	4,87,654.00
Franking and Registration charges	18,12,705.02	40,22,828.09
Telephone, Postage, Telegram, Courier	16,66,845.00	11,53,148.58
Repairs & Maintenance Charges	23,26,752.00	11,42,553.00
Software Expenses	528.00	14,193.00
Conveyance Expenses	47,89,578.23	39,31,177.16
Bank Charges & Commission	1,10,879.00	1,94,861.00
Business Promotion and DSA Expenses	23,59,930.01	20,69,023.98
Electricity Charges	22,43,808.96	18,09,736.21
Goods and Service Tax Paid	32,25,327.10	97,22,742.52
Travelling Expenses	2,00,000.00	2,75,000.00
Director's Sitting fees	1,32,024.00	1,30,793.00
Insurance	5,79,543.00	9,75,701.00
Staff Welfare Expenses	40,54,893.00	43,82,718.47
Office expenses	2,52,43,423.72	1,91,56,215.16
Rent, rates & Taxes	9,87,119.00	27,17,213.00
Miscellaneous Expenses	15,53,678.00	15,29,422.00
Fees & Subscription	12,000.00	14,850.00
Profession Tax- Company	56,13,765.00	56,13,765.00
Bad Debts Written off / (Net of Recovered) - Debtors	16,19,045.00	9,36,596.00
Bad Debts Written off / (Net of Recovered) - JLG		
Provisions for Advances :	(2,00,450.00)	(19,02,384.00)
Contingent Provision for Standard Assets & Substandard Assets		
	7,01,79,446.67	6,80,18,191

Particulars	Amount in Rs.	
	As at 31st March	
	2024	2023
2.18 TAX EXPENSE		
Current Tax		
Income taxes:	14,27,479.00	6,63,066.00
Provision for Current year	14,27,479.00	6,63,066.00
	20,06,996.00	18,61,831.00
Deferred Tax	34,34,475.00	25,24,897.00

As per our report of even date
For **MANISH SHARMA & ASSOCIATES**
CHARTERED ACCOUNTANTS
(Firm's Registration No. 114959W)

MANISH KUMAR SHARMA
M. NO. 045037
PARTNER
UDIN : 24045037BKARKQ6017

Place : Mumbai
Dated : 13th August, 2024

FOR HINDUSTHAN MICROFINANCE PVT. LTD.
CIN: U99999MH1996PTC101376

Anil L. Jadhav
Chairman & Managing Director
DIN : 01651793

Salishkumar G. Rao
Executive Director
DIN : 06994327

Pooja Rohit Jain
Company Secretary: M. No : A36270

HINDUSTHAN MICROFINANCE PRIVATE LIMITED
CIN: U99999MH1996PTC101376

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2024

SCHEDULE - "1" : NOTES FORMING PART OF THE ACCOUNTS

Company overview:

Hindusthan Microfinance Private Limited incorporated as a Private Limited Company on July 27, 1996 under the Companies Act, 1956. The Company, with its main objective as carrying of micro lending business obtained a certificate of registration from Reserve Bank of India to commence/ carry on the business of Non Banking Financial institution without accepting public deposits on 29th March, 2004. The Company has received NBFC-MFI certificate on 25th March, 2015 from Reserve Bank of India.

The Company is primarily engaged in the business of micro finance under joint liability, following group lending methodology and providing small value unsecured group loans to lower income group of women of below poverty line (BPL) in urban and rural areas. The tenure of these loans is generally spread over a period of upto 2 years to 5 years. During the year under review, The Company is fulfilling the criteria stipulated for conducting NBFC-MFI Business.

1.1 Significant Accounting Policies:

(a) Basis of Accounting

The financial statements of the Company have been prepared in accordance with 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, Companies (Accounting Standards) Amendment Rules, 2016, other accounting pronouncements of the Institute of Chartered Accountants of India ("ICAI"), relevant provision of the Companies Act, 2013 as applicable and the provisions of the Reserve Bank of India ("RBI") as applicable and as amended from time to time. These financial statements have been prepared on an accrual basis and under the historical cost convention. The financial statements are presented in Indian Rupees rounded off to the nearest rupee.

Accounting policies have been consistently applied except where a newly issued accounting standard or a guideline is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

(b) Use of estimates

The preparation of financial statements is in conformity with the Indian Generally Accepted Accounting Principles in India and requires the management to make judgments, estimates and assumptions that affect the application of accounting principles, reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. The actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

(c) Current — non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii) It is held primarily for the purpose of being traded;
- iii) It is expected to be realized within 12 months after the reporting date; or
- iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i) It is expected to be settled in the Company's normal operating cycle;
- ii) It is held primarily for the purpose of being traded;
- iii) It is due to be settled within 12 months after the reporting date; or
- iv) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

(d) Revenue Recognition

Revenue is recognised to the extent that it is possible that the economic benefits will flow to the Company and the revenue can be reliably measured.



HINDUSTHAN MICROFINANCE PRIVATE LIMITED
CIN: U99999MH1996PTC101376

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2024

SCHEDULE - "1" : NOTES FORMING PART OF THE ACCOUNTS

- i) Interest income on loan portfolio is recognized in the Statement of Profit and Loss on accrual basis taking into account the amount outstanding and rate applicable except in the case of non-performing assets (NPAs) where it is recognized, upon realization, as per the prudential norms of RBI.
- ii) Income from business correspondent activity is recognised on accrual basis as per the terms of arrangement entered into with the client Bank / CCS / NBFC. Revenue from Business Correspondent activities to the extent of services rendered but yet to be billed, if any, are treated as Unbilled revenue and are disclosed under other current assets.
- iii) Loan processing fees collected from the borrowers is recognised as and when received.
- iv) Interest on term deposits has been accrued on time proportion basis, using the relevant interest rate.

(e) Classification of loan portfolio and provisioning policy

All loan exposures are classified as per RBI guidelines, into performing and non-performing assets ("NPAs"). Further, NPAs are classified into sub-standard, doubtful and loss assets in accordance with Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued by Reserve Bank of India to the extent applicable read together with other relevant notifications issued from time to time by Reserve Bank of India. The company follows a policy of writing off of all the loan portfolios which are outstanding for more than 180 days as of the last day of the financial year. During the financial year ended 31.03.2024, there are no loan portfolios outstanding for more than 180 days. Provision on Standard Assets is created on advances excluding advances to employees.

Asset classification	Overdue days	Amount in Rs.	
		Amount O/s as on 31.03.2024	Amount O/s as on 31.03.2023
Standard (Unsecured, Considered good)	1 to 90 days	21,86,20,637.00	29,95,82,947.00
Sub standard (Total loan account balance including instalments overdue beyond the specified period) (Unsecured, Considered good)	91 to 180 days	15,83,452.00	16,18,508.00
Doubtful (Unsecured, Considered doubtful)	181 to 365 days	-	-
Loss (Unsecured, Considered doubtful)	>365 days	-	-
TOTAL		22,02,04,089.00	30,12,01,455.00

Provision for outstanding loan portfolio in compliance with RBI Circular on IRAC Norms:

Circular Ref. No. RBI/2021-2022/158:: DOR STR.REC.85/21.04.048/2021-22 dated February 15, 2022

Particulars	Provisioning Rate	Amount in Rs.	
		Provision Amount as on 31.03.2024	Provision Amount as on 31.03.2023
Provision on Standard loan portfolio	0.25%	5,46,552.00	7,48,957.00
TOTAL (A)		5,46,552.00	7,48,957.00
Non Performing Assets (*)			
Provision on Loan Portfolio remaining out of order - Installments Overdue for more than 90 days and less than 180 days	25%	3,95,863.00	4,04,627.00
Provision on Doubtfull / Loss Loan Portfolio (Installments overdue for 180 days or more)	100%	-	-
TOTAL (B)		3,95,863.00	4,04,627.00
PROVISION AS PER RBI IRAC NORMS		9,42,415.00	11,53,584.00

(f) Fixed Assets

Tangible assets - Property, Plant and Equipments

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of tangible fixed assets comprises the purchase price, taxes, duties, freight (net of rebates, discounts and tax credits claimed) and any other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.



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SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2024

SCHEDULE - "1" : NOTES FORMING PART OF THE ACCOUNTS

Depreciation and amortization

The Company provides depreciation under written down value method on tangible fixed assets based on the useful life specified in Schedule II of the Companies Act, 2013, as in the opinion of the Management, the same reflects the estimated useful life. Depreciation is calculated on pro-rata basis from the date on which the assets are put to use or till the date the assets are sold or disposed off.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortized in the Statement of Profit and Loss over their estimated useful lives from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset. Intangible assets are amortised on straight line basis. Computer software are amortised on straight line basis over their estimated useful life of three years.

(g) Investments

Investments are classified as current investments, if the management does not intend to hold the investments for more than one year. Investments other than current investments are classified as long term investments. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. In case of investment in mutual funds, the net asset value of units declared by the mutual fund is considered as fair value. Long term investments are carried at cost less diminution in value, other than temporary, determined separately for each individual asset.

Income or loss on sale/ redemption of investments is determined on a first in first out basis. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to Statement of Profit and Loss.

(h) Foreign currency transactions

Foreign currency transactions, if any, are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year, if any, are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, (if any), not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognised in the Statement of Profit and Loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

(i) Employee benefits

Defined contribution plans

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

Defined benefit plan

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. Gratuity is covered under a scheme administered by Life Insurance Corporation of India (Group Gratuity scheme). Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with the payment or Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The contributions made by the company to the scheme are recognised in the Statement of Profit and loss. The liability towards pending remittances to the fund is recognised in the Balance Sheet.

Short term employee benefits

Short term benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

(j) Income Tax

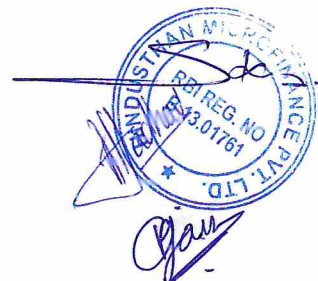
Income tax expense comprises current tax, deferred tax and assessment dues.

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably/virtually certain to be realized.



HINDUSTHAN MICROFINANCE PRIVATE LIMITED
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SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2024

SCHEDULE - "1" : NOTES FORMING PART OF THE ACCOUNTS

(k) Earnings per share

Basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are to be adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed to have been converted as of the beginning of the year, unless they have been issued at a later date.

The company has no outstanding shares during the year ended 31st March, 2024

(l) Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

(m) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that any assets forming part of its cash generating units may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost.

(n) Cash flow statement

Cash flows are reported using the indirect method, whereby net surplus before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

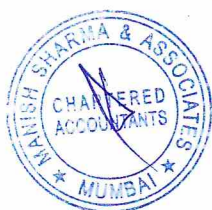
(o) Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks/financial institutions. The Company considers all highly liquid investments held in the nature of Security deposits and / or FLDG and which can be convertible to known amounts of cash to be cash and cash equivalents.

1.2 Earnings per Share (EPS)

The Computation of EPS is set out below :

Particulars	Amount in Rs.	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Basic & Diluted Earnings		
Net Profit after tax for the year	58,65,794.12	36,27,910.16
Less : Dividend on 9% Cumulative Optional Convertible Preference Shares	(11,74,933.00)	(11,21,918.00)
Less : Income tax on Preference shares dividend	-	-
Add : MAT Credit	3,72,142.00	8,18,592.00
Adjusted Net Profit / (Loss)	50,63,003.12	33,24,584.16
Shares		
Number of Shares at the beginning of the year	1,10,13,175	1,10,13,175
Equity Shares allotted during the year	-	-
Total number of Equity Shares outstanding during the year	1,10,13,175	1,10,13,175
Weighted average number of equity shares outstanding during the year - Basic	1,10,13,175	1,10,13,175
Weighted average number of equity shares outstanding during the year - Diluted	1,10,13,175	1,10,13,175
Earnings per share of par value Rs. 10 - Basic (Rs.)	0.46	0.30
Earnings per share of par value Rs. 10 - Diluted (Rs.)	0.46	0.30



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HINDUSTHAN MICROFINANCE PRIVATE LIMITED
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SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2024

SCHEDULE - "1" : NOTES FORMING PART OF THE ACCOUNTS

1.3 Employee benefit plans

(a) Defined contribution plans

Amount in Rs.

Amount recognised in Statement of Profit and Loss towards

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Employee state insurance	48,78,789.00	41,53,345.00
Provident fund	2,34,69,457.00	1,54,60,130.50

(b) Defined benefit plans

The employee's gratuity fund scheme is managed by Life Insurance Corporation of India ("LIC"). The present value of obligation is determined based on actuarial valuation, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The contributions made by the company to the scheme are recognised in the Statement of Profit and loss. The liability towards pending remittances to the fund is recognised in the Balance Sheet. Details of Present Value of Obligations, Plan Assets and amount charged to profit & loss account are as under :

Amount in Rs.

Amount recognised in Statement of Profit and Loss towards

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Gratuity - being Contribution paid to LIC of India the Scheme Administrator	18,48,246.48	24,25,404.00

Note : Gratuity Contribution Charged to profit & Loss Account is premium payable / paid to LIC of India

As per Gratuity Statement issued by LIC of India under AS-15.

Table showing changes in present value of obligation

Amount in Rs.

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Present value of obligations as at the beginning of the year	35,20,295.00	18,25,461.00
Interest cost	2,55,222.00	1,27,782.00
Current Service Cost	43,36,508.00	7,73,200.00
Benefits paid	(2,36,539.00)	(4,52,884.00)
Actuarial (gain) / loss on obligations	(26,71,481.00)	(94,405.00)
Present value of obligations as at the end of the year	52,04,005.00	21,79,154.00

Table showing changes in the fair value of plan assets

Amount in Rs.

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Fair value of plan assets as at the beginning of the year	67,67,658.70	31,12,689.21
Expected return on plan assets	4,49,329.01	2,15,854.10
Contributions	1,46,324.63	5,527.13
Benefits paid	(2,36,539.00)	(4,52,884.00)
Actuarial (gain) / loss on plan assets / Charges	-	-
Fair value of plan assets as at the end of the year	71,26,773.34	28,81,186.44

Current Year : Opening Balances are adjusted to the extent values depicted in Policy No. 715003508 (Proposal No. 11200). Current Year Assets and Obligations are as per Policy Nos. 715003508 and 715001353.

Previous Year : Above details are given in respect of Policy Coverage issued by LIC of India under LIC Policy No. 715001353. For Additional coverage the liability is provided based on the Proposal No. 11200 - under which, though payments were made, the Policy was issued by the Insurer in the FY 2023-2024.

1.4 Segmental reporting

a) Business Segment:

The Company operates in a single reportable segment i.e. micro lending to members, who have similar risk and returns. Accordingly, there is no reportable segment to be disclosed as required by Accounting Standard 17 'Segment Reporting'.

b) Geographical segment:

During the year under report, the Company has engaged in its business primarily within India. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

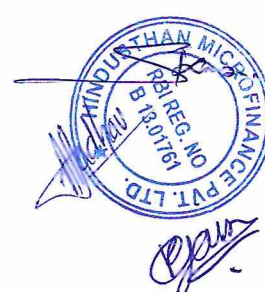
1.5 Related Party Disclosures

As per Accounting Standard – 18 (AS 18)- Related Party Disclosures read together with Section 133 of the Act and Rule 7 of the Companies (Accounts) Rules, 2014 , as notified by the Rules, the disclosures of transactions with the related parties as defined in the accounting standard and Act are given below:

a. Related parties with whom transactions have taken place during the year:

i. Entities where key management personnel ('KMP')/relatives of key management personnel ('RKMP') have significant influence:

Co-Pass Technology & Services Pvt.Ltd., Naissance Work Solutions Providers Pvt. Ltd.



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SCHEDULE - "1" : NOTES FORMING PART OF THE ACCOUNTS

ii. Key managerial personnel (KMP):

- i) Mr. Anil Laxmanrao Jadhav - Chairman and Managing Director
ii) Mr. Satishkumar G. Rao - Executive Director
iii) Mr. Lingamallu Brahma Prakash - Director

iii. Relatives of key management personnel (RKMP)

- Bhagyashree A. Jadhav - Shubham A. Jadhav - Mrs. Sujata Anil Jadhav

b. Transactions between the Company and related parties and the status of outstanding balances :

Amount in Rs.

Sr. No.	Name of the Party	Relationship	Nature of Transaction	As at 31st March 2024		As at 31st March 2023	
				Transactions	Receivable/ (Payable)	Transactions	Receivable/ (Payable)
1	Anil Laxmanrao Jadhav	Director-KMP	Director's Remuneration including perquisites	84,00,000.00	-	84,00,000.00	-
2	Satishkumar. G Rao	Director-KMP	Director's Remuneration including perquisites	84,00,000.00	-	84,00,000.00	-
3	Bhagyashree A. Jadhav	RKMP	Salaries	8,40,000.00	-	4,90,500.00	-
4	Anil Laxmanrao Jadhav	Director-KMP	Interest free Loan from Director	-	-	1,00,00,000.00	(56,80,000.00)
5	Anil Laxmanrao Jadhav	Director-KMP	Repayment of Directors Loan	56,80,000.00	-	43,20,000.00	
6	Satishkumar. G Rao	Director-KMP	Interest free Loan from Director	2,55,00,000.00	2,55,00,000.00	50,00,000.00	(27,05,000.00)
7	Satishkumar. G Rao	Director-KMP	Repayment of Directors Loan	27,05,000.00		22,95,000.00	
8	Shubham Jadhav	RKMP	Salaries	15,60,000.00	-	12,84,360.00	-
9	Shubham Jadhav	RKMP	Rent on premises at Market Rate	16,43,520.00	-	16,43,520.00	-
10	Anil Laxmanrao Jadhav	Director-KMP	Rent on premises at Market Rate	-	-	3,17,626.00	-
11	Sujata A. Jadhav	RKMP	Rent on premises at Market Rate	41,11,358.00	-	31,15,778.00	-
12	Naissance Work Solutions Providers Pvt	KMP-Interested	Consultancy (HR & Process)	9,75,600.00	-	9,99,680.00	(77,440.00)
13	Co-Pass Technology & Services Pvt.Ltd.	KMP-Interested	AMC Charges	23,72,150.00	-	-	-

1.6 Details of pending litigations:

Amount in Rs.

Particulars	As at 31st March 2024		As at 31st March 2023	
	Amount	Treatment in Financial Statement	Amount	Treatment in Financial Statement
During the year under review, the case filed by M/s. Nirmal Ujjwal Credit Co-op. Society Ltd. before Honourable Joint Civil Judge, Jr. Division, Nagpur for grant of mandatory injunction against Hindusthan Microfinance Private Limited to recover the loan amount of the Plaintiff Society is rejected vide Order dated 18th July, 2023. The Company pleaded before the Hon. Court about recoverability of its own dues. The Honourable Court dismissed the case filed by plaintiff Society and directed to refer the matter to Arbitration.	-	-	-	-
As instructed by the Hon. Court, Jr. Division, Nagpur, Hindusthan Microfinance Private Limited has initiated the Alternate Dispute Resolution Process (ADR). The Company has already appointed legal counsels for the same and is in the process of appointing two arbitrators. The Appointment of the arbitrators shall be subject to the mutual consent of all the parties involved.				
The receivable outstanding amounts from Nirmal Ujjwal Credit Co-op. Society Ltd. is assessed critically by the Company and appropriate steps with respect to writing off of the doubtful component has been taken by the Management and disclosed at appropriate places in the financials, remaining amount as outstanding in the books of accounts is unsecured but good.				



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SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2024

SCHEDULE - "1" : NOTES FORMING PART OF THE ACCOUNTS

1.7 Terms of the secured / unsecured borrowings

Terms of the secured / unsecured borrowings					Amount in Rs.	
a) Nature of Facility	Amount outstanding as at 31st March 2024		Amount outstanding as at 31st March 2023		Loan Tenure (in Months)	Terms of repayment
	Current	Non-Current	Current	Non-Current		
i)(a)Secured Term loans from Banks						
State Bank of India	3,99,99,996.00	2,96,88,200.00	3,99,99,996.00	7,07,77,498.00	36 Months	Monthly
Bank Of Baroda	2,66,66,666.76	-	3,99,99,996.00	2,66,66,670.72	36 Months	Monthly
Union Bank Of India	1,99,97,877.00	-	3,00,00,000.00	2,00,00,000.00	36 Months	Monthly
i)(b) Working Capital facility from Banks						
State Bank of India	89,03,636.32	-	99,76,270.12	-	12 Months	On Demand
Total (A)	9,55,68,176.08	2,96,88,200.00	11,99,76,262.12	11,74,44,168.72		
ii) Secured Term loans from NBFC's/FI's						
Vivrti Capital Ltd	2,00,00,004.00	2,23,33,328.00	-	-	30 Months	Monthly
RAR Fincare Ltd	50,00,004.00	49,99,996.00	-	-	30 Months	Monthly
Total (B)	2,50,00,008.00	2,73,33,324.00	-	-		
iii) Unsecured Debts from Banks / Financial Institutions						
IDFC Bank Ltd. (earlier under the name of Capital First Ltd) Subordinated Debts - Tier-II funding	-	-	-	5,00,00,000.00	84 Months	End of Loan tenure
iv) Unsecured Debts from Directors						
Directors	-	2,55,00,000.00	-	83,85,000.00	84 Months	End of Loan tenure
Total (B)	-	2,55,00,000.00	-	5,83,85,000.00		
GRAND TOTAL (A) + (B)	12,05,68,184.08	8,25,21,524.00	11,99,76,262.12	17,58,29,168.72		

b) Ratings assigned by credit rating agencies and migration of ratings

Particulars	As at	
	31st March, 2024	31st March, 2023
(a) Comprehensive MFI Grading assigned by Smera Ratings Limited	-	M3C3
(b) Code of Conduct and MFI Grading assigned by Infomerics Analytics and Research Private Limited	MFI2-IAC2	-
(c) Bank Loan Credit Rating (BLR) by CRISIL Ratings Limited	BB+ [Stable]	BB+ [Stable]

1.8 a. Terms of short term borrowings

Following are the details of certain pertinent terms and conditions of short term borrowings:

Nature of Facility	Outstanding as at		Terms
	31st March, 2024	31st March, 2023	
Cash Credit with State Bank of India	89,03,636.32	99,76,270.12	Refer Note 1

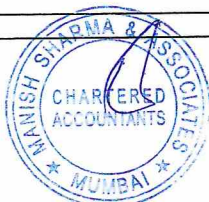
Note 1 :

- a) The Cash credit facility availed with State Bank of India was fully secured by way of exclusive charge of 125% on the entire book debts created out of the banks finance.
b) During the Previous year 2023-24, The cash credit limit is maintained at Rs. 1.00 crore.
c) The Cash Credit facility is, additionally secured by personal guarantees of the promoters/directors.
As per the bank's arrangement letter dated 31.12.2022, the cash credit facility has been renewed and is available for 12 months from that date, subject to renewal annually at a interest rate of 2.00% above 6 months MCLR with a minimum of 10.30% pa. The limits continued throughout 2023-24 without any modifications

b. Terms of borrowings by way of Term Loan from Banks and NBFC's

Following are the details of certain pertinent terms and conditions of old and fresh term loan borrowings:

Nature of Facility	Outstanding as at		Terms
	31st March, 2024	31st March, 2023	
Term Loan from Bank of Baroda - BCGSMFI Scheme	2,66,66,666.76	6,66,66,666.72	Refer Note 1
Term Loan from Union Bank of India - Under CGSMFI Scheme	1,99,97,877.00	5,00,00,000.00	Refer Note 2
Term Loan from State Bank of India	6,96,88,196.00	11,07,77,494.00	Refer Note 3
Vivrti Capital Ltd	4,23,33,332.00	-	Refer Note 4
RAR Fincare Ltd	1,00,00,000.00	-	Refer Note 5
	16,86,86,071.76	22,74,44,160.72	



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SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2024

SCHEDULE - "1" : NOTES FORMING PART OF THE ACCOUNTS

Note 1 :

- a) The Term loan of Rs. 12.00 Crore was availed during financial year 2021-22 from Bank of Baroda under BCGSMFI Scheme.
b) Tenure of Loan is 36 Months (Door to door period) with rate of interest 1 Year MCLR without S.P. + 2% p.a. with yearly reset of MCLR from the date of first disbursement, which is getting completed in financial year 2024-25.
c) Term Loan is secured as under :
Primary : - Exclusive charge by way of hypothecation of specific agreements pertaining to specific "Standard" hypothecation loan of the Company which are generated from the funds utilised for onward lending to generate further MSME portfolio with a coverage of 1.10 times of the facility amount.
Collateral : - 10% Cash margin to the tune of Rs 1.20 crores in the form of FDR's
d) Additionally, the term loan facility is secured by personal guarantees of the promoters/directors.

Note 2 :

- a) During the financial year 2021-2022, the Company availed Term loan of Rs. 9.00 Crore from Union Bank of India under credit guarantee Scheme for MFIs.
b) Tenure of Loan is 36 Months with rate of interest at MCLR 1 Year + 2% p.a.
c) Term Loan is secured as under :
Primary : - Exclusive charge by way of hypothecation of First & Exclusive charge of present and future book debts and receivable with security cover of 110%.
Collateral : - Cash margin to the tune of Rs 10% in the form of FDR's
d) Additionally, the Cash credit and Term Loan Facilities are secured by personal guarantees of the promoters/directors.

Note 3 :

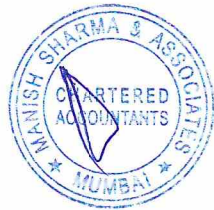
- a) During the financial year 2022-2023, the Company availed Term loan of Rs. 12.00 Crore from State Bank of India under SME Scheme.
b) Tenure of Loan is 36 Months with rate of interest at 6 Month MCLR + 2% p.a. with minimum interest rate of 10.30% p.a.
c) Term Loan is secured as under :
Primary : - Exclusive charge by way of hypothecation of First & Exclusive charge of present and future book debts and receivable with security cover of 125%.
Collateral : - Cash margin to the tune of Rs 1.20 crores in the form of FDR's
d) Additionally, the Cash credit and Term Loan Facilities are secured by personal guarantees of the promoters/directors.

Note 4 :

- a) During the financial year under review 2023-2024, the Company availed Term loan of Rs. 5.00 Crore from Vivriti Capital Limited (NBFC).
b) Tenure of Loan is 30 Months with rate of interest at 14.50% p.a. subject to resets Semi-annually commencing from the date of first drawdown under the Facility.
c) Term Loan is secured as under :
Primary : - Exclusive charge by way of hypothecation of First & Exclusive charge of present and future book debts and receivable with security cover of 112% of outstanding due amounts under the facility.
Collateral : - Cash margin to the tune of Rs 10% of the facility amount in the form of security deposit.
d) Additionally, the Cash credit and Term Loan Facilities are secured by personal guarantees of the promoters/directors.

Note 5 :

- a) During the financial year under review 2023-2024, the Company availed Term loan of Rs. 1.00 Crore from RAR Fincare Limited (NBFC).
b) Tenure of Loan is 24 Months with rate of interest at 15.50% p.a. subject to resets quarterly commencing from the date of first drawdown under the Facility.
c) Term Loan is secured as under :
Primary : - Exclusive charge by way of hypothecation of First & Exclusive charge of present and future book debts and receivable with security cover of 115% of outstanding due amounts under the facility.
Collateral : - Cash margin to the tune of 5% of the facility amount in the form of fixed deposits with State Bank of India duly lien marked of the lender..
d) Additionally, the Cash credit and Term Loan Facilities are secured by personal guarantees of the promoters/directors.



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SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2024

SCHEDULE - "1" : NOTES FORMING PART OF THE ACCOUNTS

1.9 Auditors Remuneration (Included in legal and professional fee, applicable indirect taxes)

Amount in Rs.

Particulars	As at	
	31st March, 2024	31st March, 2023
Audit Fees		
- towards Statutory Audits	2,50,000.00	2,50,000.00
- towards Tax Audits	1,25,000.00	50,000.00
Total	3,75,000.00	3,00,000.00

1.10 Amounts payable to Micro and Small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26th August, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March, 2024 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
1. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise.	Nil	Nil

1.11 As required in terms of Reserve Bank of India guidelines.

Amount in Rs.

(a) Capital to Risk Asset Ratio (CRAR)

Particulars	As at 31st March 2024	As at 31st March 2023
(i) CRAR (%)	44.69%	46.92%
(ii) CRAR - Tier I Capital (%)	38.42%	31.08%
(iii) CRAR - Tier II Capital (%)	6.27%	15.84%
(iv) Amount of sub-ordinated debt raised as Tier II capital	-	5,00,00,000.00
(v) Amount raised by issue of Perpetual Debt Instruments	N.A.	N.A.

(b) The Company has the following direct exposure to real estate sector:

Particulars	2023-24	2022-23
Exposure to Real Estate Sector (Direct and Indirect, both)	NIL	NIL



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SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2024

SCHEDULE - "1" : NOTES FORMING PART OF THE ACCOUNTS

(c) Maturity pattern of certain items of assets and liabilities:								(Figures Rupees in lakhs)
Particulars	1month	1 month - 2 months	2 months - 3 months	3 months - 6 months	6 months - 1 year	1 year - 3 years	3 years - 5 years	Over 5 years
Borrowings	91.67	91.67	91.67	275.00	405.68	296.88	-	-
Market Borrowings Repaid	20.83	20.83	20.83	62.50	125.00	528.33	-	-
Advances (Recoveries)	118.39	128.00	131.16	398.31	740.35	683.50	-	-
Fresh Advances Recoveries	-	-	-	-	-	-	-	-
Deposits with Banks / NBFC's / CCS - Recovered	0.67	25.00	84.39	-	274.13	178.18	-	-
Share Capital (Preference Share) - Redemption	-	-	-	-	-	-	-	-
Share Capital (Preference Share) - Fresh Issue	-	-	-	-	-	-	-	-
Share Capital Dividend (Preference Share) - Paid	-	-	18.00	-	-	36.00	-	-

(d) Provision and contingency

Particulars	Amount in Rs.	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Provisions for depreciation on Fixed assets	63,56,908.44	49,00,979.78
Provision made towards Income tax including deferred tax	34,34,475.00	25,24,897.00
Provision for Loan Portfolio including provision towards NPA (Refer to Para 1.1 (e) for detailed working)	9,53,134.00	11,53,584.00

(e) Draw down from Reserves

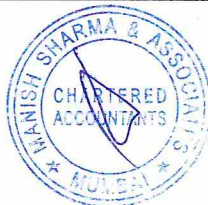
During the year the company has transferred a sum of Rs. 11,73,159.00 (Previous Year Rs.) (Rs. 725582) to the Statutory Reserve, being 20% of the Surplus of the Company as per the provisions of Section 45IC of The RBI Act, 1934.
The Company has utilised Rs. 11,74,933.00 (Previous Year Rs.) (Rs. 1121918) towards dividend payable on 9% Cumulative Optionally Convertible Preference Shares (OCPS).

(f) Disclosure with respect to Grievance redressal report

Sr No	Particulars	Number of Complaints	
		2023-24	2022-23
(i)	No. of complaints pending at the beginning of the year	-	-
(ii)	No. of complaints received during the year	1	3
(iii)	No. of complaints redressed during the year	1	3
(iv)	No. of complaints pending at the end of the year	-	-

(g) Disclosure with respect to Whistle Blower Complaints received

Sr No	Particulars	Number of Complaints	
		2023-24	2022-23
(i)	No. of complaints pending at the beginning of the year	-	-
(ii)	No. of complaints received during the year	-	-
(iii)	No. of complaints redressed during the year	-	-
(iv)	No. of complaints pending at the end of the year	-	-



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SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2024

SCHEDULE - "1" : NOTES FORMING PART OF THE ACCOUNTS

(h) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC::

The Company has not exceeded the prudential exposure limits during the financial year ended 31st March, 2024 and 31st March, 2023.

(i) Registration obtained from other financial sector regulators / Credit Information Bureau / SRO:

Financial Sector regulator :

Sr No	Regulator	Reg No	Date of Registration
(i)	Ministry of Corporate Affairs	CIN: U99999MH1996PTC101376	27.07.1996
(ii)	Reserve Bank of India	B-13.01761	29.03.2004

Credit Information Bureau :

Sr. No.	Name of the Credit Information Bureau	Date of Registration
1	Equifax Credit Information Services Private Limited	09.09.2014
2	CRIF High Mark Credit Information Services Pvt. Ltd	02.05.2012
3	Credit Information Bureau Limited (CIBIL)	21.07.2015
4	Experian Credit Information Company of India Pvt. Ltd.	04.09.2015

SRO :

Sr. No.	Name of the SRO	Date of Registration
1	Sa-Dhan	01.12.2006
2	Micro Finance Institutions Network (MFIN)	15.12.2015

(j) Details of penalties imposed by RBI and other regulators

No penalties has been imposed by RBI and other regulators on the Company during the financial year ended 31st March, 2024 and 31st March, 2023.

(k) Unsecured Advances

The Company has not given any unsecured advances against intangible securities such as charge over the rights, licenses, authority, etc. during the financial year ended 31st March, 2024 and 31st March, 2023.

(l) Details of non-performing financial assets purchased / sold

The Company has not purchased nor sold any non-performing financial assets during the financial year ended 31st March, 2024 and 31st March, 2023.

Amount in Rs.

(m) Disclosure of frauds noticed or reported during the year ended 31 March 2024 vide DNBS. PD. CC No. 256/03.10.042/2011-12 dated 2nd March 2012 including frauds by the Company

Particulars	Less than Rs.1 Lakh		Rs.1 Lakh to Rs.5 Lakhs		More than Rs. 5 Lakhs	
	No of Accounts	Value(Rs)	No of Accounts	Value(Rs)	No of Accounts	Value(Rs)
(i) Person involved						
Staff	NIL	NIL	NIL	NIL	NIL	NIL
Customers	NIL	NIL	NIL	NIL	NIL	NIL
Staff and customers	NIL	NIL	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Type of Fraud						
Misappropriation and Criminal Breach of Trust - Cumulative	NIL	1,08,450.00	NIL	1,95,750.00	NIL	NIL
	(P.Y. : Rs.)	(4,39,810.00)	(P.Y. : Rs.)	(NIL)		
Fraudulent Encashment/ manipulation of books of accounts or through fictitious accounts and conversion of property.	NIL	NIL	NIL	NIL	NIL	NIL
Unauthorised credit facilities extended for reward or for illegal gratification	NIL	NIL	NIL	NIL	NIL	NIL
Negligence and cash shortages	NIL	NIL	NIL	NIL	NIL	NIL
Cheating and Forgery	NIL	NIL	NIL	NIL	NIL	NIL
Irregularities in foreign exchange transactions	NIL	NIL	NIL	NIL	NIL	NIL
Any other type of fraud not coming under the specific heads as above	NIL	NIL	NIL	NIL	NIL	NIL
Total	NIL	1,08,450.00	NIL	1,95,750.00	NIL	NIL

Note : 1. Out of the above amount a sum of Rs. 2,29,200/- involved in the mis-appropriation Cases has been recovered, during the year itself, by the Company from the respective Staff Members / Defaulters. Regarding the amount remaining unrecovered as on 31-3-2014 necessary provisions has been made.

(2) There are no cases of Fraud "by" the Company Noticed or reported during the year.



HINDUSTHAN MICROFINANCE PRIVATE LIMITED
CIN: U99999MH1996PTC101376

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2024

SCHEDULE - "1" : NOTES FORMING PART OF THE ACCOUNTS

1.12 The Company has converted its equity share capital in Demat Form. Given below is a summary of equity share capital converted in demat and physical forms.

Nature of Script	Demat / Physical	No. of Equity Shares 2024	% 2024	No. of Equity Shares 2023	% 2023
Equity Shares	Demat / Physical	99,18,331	90.06%	99,18,331	90.06%
Equity Shares	Physical	10,94,844	9.94%	10,94,844	9.94%
Total		1,10,13,175	100%	1,10,13,175	100%

1.13 Details of the Hedged / Unhedged Foreign Currency Exposure

Details as per RBI guidelines on "Capital and Provisioning Requirements for Exposures to entities with Unhedged Foreign Currency Exposure" issued vide circular DBOD.No.BP.BC.85/21.06.200/2013-14 dated January 15,2014 and clarifications issued by RBI subsequently vide circular. DBOD. NO.BP.BC.116 / 21.06.200/2013-14 dated June 3, 2014 :

Sr No	Type	As on 31-03-2024	As on 31-03-2023
(i)	Hedged Foreign Currency Exposure	NIL	NIL
(ii)	Unhedged Foreign Currency Exposure	NIL	NIL

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

As per our report of even date attached

For **MANISH SHARMA & ASSOCIATES**
CHARTERED ACCOUNTANTS

(Firm's Registration No. 114959W)

MANISH KUMAR SHARMA
PARTNER
Membership No: 045037
UDIN : 24045037BKARKQ6017



Place: Mumbai
Dated : 13th August, 2024

For and on behalf of the Board of Directors of
HINDUSTHAN MICROFINANCE PVT LTD

CIN: U99999MH1996PTC101376

Anil L. Jadhav
Chairman & Managing Director
DIN: 01651793

Satish Kumar G. Rao
Executive Director
DIN: 06994327

Pooja Rohit Jain

Company Secretary:: M. No : A36270



HINDUSTHAN MICROFINANCE PRIVATE LIMITED

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2024

SCHEDULE 2.8 - PROPERTY, PLANT AND EQUIPMENT

Amount in Rs.

ITEM	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	AS AT 01.04.2023	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31.03.2024	UP TO 31.03.2023	RATE OF DEPRE- CIATION	FOR THE YEAR	ON DELETIONS	UP TO 31.03.2024	AS AT 31.03.2024	AS AT 31.03.2023
Computers & Softwares	1,75,39,498.39	61,43,434.89	-	2,36,82,933.28	1,35,41,288.68	WDV	43,85,798.60	-	1,79,27,087.28	57,55,846.00	39,98,209.71
Office Equipments	34,85,603.46	23,130.00	-	35,08,733.46	28,51,247.00	WDV	2,94,859.00	-	31,46,106.00	3,62,627.46	6,34,355.46
Furniture & Fittings	1,04,14,521.33	23,21,376.00	-	1,27,35,897.33	74,10,569.16	WDV	11,53,707.84	-	85,64,277.00	41,71,620.33	30,03,952.17
Electronic Equipments, Airconditioner & Electrical Fittings	26,46,272.01	9,04,272.78	-	35,50,544.79	12,08,917.00	WDV	5,22,543.00	-	17,31,460.00	18,19,084.79	14,37,355.01
TOTAL	3,40,85,895.19	93,92,213.67	-	4,34,78,108.86	2,50,12,021.84		63,56,908.44	-	3,13,68,930.28	1,21,09,178.58	90,73,873.35

PREVIOUS YEAR	2,84,43,541.16	56,42,354.03	-	3,40,85,895.19	2,01,11,042.06	-	49,00,979.78	-	2,50,12,021.84	90,73,873.35	83,32,499.10
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For MANISH SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm's Registration No. 114959W)



MANISH KUMAR SHARMA
M. NO. 045037
PARTNER
UDIN : 24045037BKARKQ6017

Place : Mumbai
Dated : 13th August, 2024

FOR HINDUSTHAN MICROFINANCE PVT. LTD.
CIN: U99999MH1996PTC101376

Anil L. Jadhav
Chairman & Managing Director
DIN : 01651793



Satishkumar G. Rao
Executive Director
DIN : 06994327

HINDUSTHAN MICROFINANCE PRIVATE LIMITED

Additional Regulatory Information

CARO 3 (i) (c)

i) Title deeds of Immovable Property not held in name of the Company

Amount in Rs.

Relevant line item in Balance Sheet	Description of item of property	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or employee of promoter/director	Property held since which date	Reasons for not being held in the name of the company including disputed	Reasons for not being held in the name of the company including disputed
PPE		Nil	Nil	Nil	Nil	Nil	Nil
Investment property		Nil	Nil	Nil	Nil	Nil	Nil
PPE retired from active use and held for disposal		Nil	Nil	Nil	Nil	Nil	Nil
Others		Nil	Nil	Nil	Nil	Nil	Nil

Capital-Work-in Progress (CWIP) / Intangible assets under development (ITAUD)

Amount in Rs.

	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-

iv) Capital-Work-in Progress (CWIP)/ITAUD whose completion is overdue

Amount in Rs.

	To be completed in		
	Less than 1 year	1-2 years	More than 3 years
Project 1	-	-	-
Project 2	-	-	-

As per our report of even date attached

For MANISH SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Registration No. 114959W)



MANISH KUMAR SHARMA

Partner

M.No. 045037

UDIN : 24045037BKARKQ6017

For and on behalf of the

Board of Directors

FOR HINDUSTHAN MICROFINANCE PVT. LTD.

CIN: U99999MH1986PTC01376



Anil L. Jadhav

Chairman & Managing Director

DIN : 01651793

Shatishkumar G. Rao

Executive Director

DIN : 06994327

Place : Mumbai

Dated : 13th August, 2024

Pooja Rohit Jain

Company Secretary: M. No : A36270

HINDUSTHAN MICROFINANCE PRIVATE LIMITED

CIN: U99999MH1996PTC101376

1 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2024

Amount in financial statement are presented in Absolute Indian Rupee terms

2.1 SHARE CAPITAL

Particulars	Amount in Rs. As at 31st March	
	2024	2023
Authorised		
Equity Shares, of Rs. 10/- each		
1,60,00,000 equity Shares	16,00,00,000.00	16,00,00,000.00
(Previous Year 1,60,00,000 equity Shares of Rs. 10/- each)		
Preference Shares, of Rs. 10/- each		
20,00,000 preference Shares	2,00,00,000.00	2,00,00,000.00
(Previous Year : 20,00,000 Preference shares of Rs.10/- each)		
	18,00,00,000.00	18,00,00,000.00
Issued, Subscribed and Paid-up		
Equity Shares of Rs. 10/- each		
1,10,13,175 Equity shares fully paid-up	11,01,31,750.00	11,01,31,750.00
(Previous Year 1,10,13,175 Equity shares fully paid-up)		
9% Cumulative Optionally Convertible Preference Shares of Rs. 10/- each	2,00,00,000.00	1,00,00,000.00
20,00,000 Preference shares fully paid-up		
(Previous Year : 10,00,000 Preference shares of Rs.10/- each)		
	13,01,31,750.00	12,01,31,750.00

Rights, preferences and restrictions attached to each class of shares

Equity Shares:

The Company has only one class of equity shares referred to as equity shares having a par value of Rs. 10/- each. Where each holder of equity shares is entitled to one vote per share and rank equally with regards to dividends and share in Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

9% Cumulative Optionally Convertible Preference Shares (OCPS):

During the year under review the Company has issued preference shares through the issuance of 1,00,00,000 Nos. of Optionally Convertible Preference Shares (OCPS) on 21st June, 2023 with paid up value of Rs. 1,00,00,000/- (Rupees One Crore Only). This capital was sourced from Mr. Anil Laxmanrao Jadhav, the Chairman and Managing Director, and Mr. Satishkumar G. Rao, the Executive Director, with each contributing Rs. 50,00,000/- through the purchase of 500,000 Nos. of OCPS with same class 9% Cumulative Optionally Convertible Preference Shares (OCPS) of. The funds raised were utilized for redemption of 1,00,00,000 preference shares, on 29th June 2023, under the same class held by the Small Industries Development Bank of India (SIDBI) with paid up value of Rs. 1,00,00,000/- (Rupees One Crore Only).

On July 25, 2023, the Small Industries Development Bank of India (SIDBI) approved the sanction of Rs. 1,00,00,000/- (Rupees One Crore Only) for subscribing to 1,00,00,000 Nos. of Preference Shares [Reference No: SIDBI/IMEF/L002297957] proposing invest the sanctioned amount in two tranches of Rs. 50,00,000/- each. The first tranche of Rs. 50,00,000/- was received on August 25, 2023, and the preference shares against the same were allotment of shares on October 3, 2023, in the assigned class of 9% Cumulative Optionally Convertible Preference Shares (OCPS).

To strengthen capital adequacy, promoters of the Company Mr. Anil Laxmanrao Jadhav, the Chairman and Managing Director, and Mr. Satishkumar G. Rao, the Executive Director, made an additional investment in Optionally Convertible Preference Shares (OCPS) amounting to Rs. 50,00,000/- (Rupees Fifty Lakhs Only) each, comprising 250,000 nos. of preference shares, under the same class, per person, with the allotment dated March 27, 2024.

[Previous Year : The Company had issued 9% Cumulative Optionally Convertible Preference Shares (OCPS) of Rs. 10/- each to Small Industries Development Bank of India (SIDBI) during the FY.2016-17., the same was due for redemption on 30th June, 2022.

By a resolution of Board of Directors at the meeting held on 14th July 2022 the company has redeemed 10,00,000 OCPS at Rs.10/- each on 29th June, 2022 out of divisible profits based on unaudited financials as on 31st May, 2022.]

Terms of issue of OCPS :

The OCPS shall :

- carry a preferential right vis-a-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital. OCPS shall be non-participating in the surplus funds, surplus assets and profits, on winding-up which may remain after the entire capital has been repaid. ;
- be entitled to dividend, if declared by the Board of Directors, on cumulative basis;
- be optionally convertible, into equity shares of the Company in the ratio of 1 Equity Share of Rs.10/- each for every 1 fully paid Preference Share of Rs. 10/- each, unless decided by the Board of Directors to convert at an early date, at the end of 6 years from the date of allotment.
- carry right to vote only on resolutions placed before the Company which directly affect the rights attached to the preference shares and any resolution for the winding up of the Company or for the repayment or reduction of its equity or preference share capital and the voting right on a poll shall be in a proportion to the share in the paid up preference share capital of the Company and shall be subject to the provisions of Section 47(2) of the Act;
- The OCPS holders at the time of conversion into Equity Shares shall have an option to redeem the OCPS at par, in case they choose not to convert OCPS into Equity.



HINDUSTHAN MICROFINANCE PRIVATE LIMITED
CIN: U99999MH1996PTC101376

1 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2024

Amount in financial statement are presented in Absolute Indian Rupee terms

2.1 SHARE CAPITAL

The Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2024 and March 31, 2023 is set out below:

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares:				
Number of shares at the beginning	1,10,13,175	11,01,31,750.00	1,10,13,175.00	11,01,31,750.00
Add: Shares issued during the year	-	-	-	-
Number of Shares at the end	1,10,13,175	11,01,31,750.00	1,10,13,175.00	11,01,31,750.00
Preference Shares:				
Number of shares at the beginning	10,00,000	1,00,00,000.00	20,00,000.00	2,00,00,000.00
Add: Shares issued during the year	20,00,000	2,00,00,000.00	-	-
Less: Shared Redeemed during the year	(10,00,000)	(1,00,00,000.00)	(10,00,000)	(1,00,00,000.00)
Number of Shares at the end	20,00,000	2,00,00,000.00	10,00,000.00	1,00,00,000.00
Total	1,30,13,175	13,01,31,750.00	1,20,13,175.00	12,01,31,750.00

Shares held by promoters at the end of the year 31st March 2024

Sr. No.	Promoter Name	No. of Equity Shares	% of total shares	% Change in holding during the year
1	Anil Laxmanrao Jadhav	37,02,897	33.62%	0.00%
2	Salishkumar Rao	36,22,358	32.89%	0.00%
3	Sujata Anil Jadhav	5,31,161	4.82%	0.00%

Shares held by promoters at the end of the year 31st March 2023

Sr. No.	Promoter Name	No. of Equity Shares	% of total shares	% Change in holding during the year
1	Anil Laxmanrao Jadhav	37,02,897	33.62%	0.00%
2	Salishkumar Rao	36,22,358	32.89%	0.00%
3	Sujata Anil Jadhav	5,31,161	4.82%	0.00%



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HINDUSTHAN MICROFINANCE PRIVATE LIMITED
CIN: U99999MH1996PTC101376

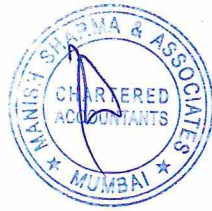
1 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2024

Amount in financial statement are presented in Absolute Indian Rupee terms

2.2 RESERVES AND SURPLUS

Particulars	Amount in Rs.	
	As at 31st March	
	2024	2023
Securities premium account - Opening Balance	2,10,25,632.00	2,10,25,632.00
Add : Premium on shares issued during the year	-	-
Securities premium account - Closing Balance	2,10,25,632.00	2,10,25,632.00
<u>Statutory Reserve created u/s 45-IC of RBI Act, 1934</u>		
Opening balance	98,02,711.00	90,77,129.00
Created During the year	11,73,159.00	7,25,582.00
Closing balance	1,09,75,870.00	98,02,711.00
<u>Capital Redemption Reserve (**)</u>		
Opening balance	1,00,00,000.00	-
Created During the year	-	1,00,00,000.00
Closing balance	1,00,00,000.00	1,00,00,000.00
<u>Profit & Loss Account</u>		
Opening Balance	(3,09,32,781.49)	(2,35,31,783.65)
Add: Net profit after tax transferred from Statement of Profit and Loss	58,65,794.12	36,27,910.16
Amount available for Appropriation	(2,50,66,987.37)	(1,99,03,873.49)
Appropriation- Trsfd. To Statutory Reserve created u/s 45-IC of RBI Act, 1934	(11,73,159.00)	(7,25,582.00)
Less : Dividend on 9% Cumulative Optionally Convertible Preference Shares (OCPS)	(11,74,933.00)	(11,21,918.00)
Add:/(less): MAT Credit under Income Tax	3,72,142.00	8,18,592.00
Less : Transfered to Capital Redemption Reserve (utilising provisions**)	-	(1,00,00,000.00)
Add: Net Plan Asset for Gratuity recognised as per AS-15	32,47,363.94	-
Surplus - Closing Balance	(2,37,95,573.43)	(3,09,32,781.49)
Grand Total	1,82,05,928.57	98,95,561.51

Note : (**) Capital Redemption Reserve to the extent of redemption of Preference Shares (OCPS) is created out of dividend equilisation fund created for dividend provision for SIDBI, Contingent Provision on Advances which earlier were charged to Profit & Loss Account and Surplus as per the unaudited financials as on 31st May, 2022



HINDUSTHAN MICROFINANCE PRIVATE LIMITED
CIN : U99999MH1996PTC101376

Relevant Para of the CARO 2020 - 3 (xix)

1.15	Ratio Analysis	Numerator	Amount in Rs.	Denominator	Amount in Rs.	Ratio as on 31/03/2024	Ratio as on 31/03/2023
1	Current Ratio	Current Assets Inventories Sundry Debtors Cash and Bank balances Receivables/Accruals Loans and Advances Any other current assets	- 4,05,19,421 1,80,51,198 15,18,53,868 8,86,69,362 29,90,93,848	Current Liabilities Creditors for goods and services Short term loans Bank Overdraft Cash Credit Provision for taxation & Gratuity Proposed dividend Unclaimed Dividend Any other current liabilities including Outstanding Expenses	19,55,185 12,05,68,184 - 8,86,562 - - 3,52,50,658 15,86,60,589		
2	Debt Equity Ratio	Total Liabilities Total Outside Liabilities	24,21,35,247	Shareholder's Equity Total Shareholders Equity	14,83,37,679	1.632	2.508
3	Debt Service Coverage Ratio (Based on Demand Repayment Obligation towards Interest)	Net Operating Income Net Profit after tax + non-cash operating expenses like depreciation and other amortizations + Interest+other adjustments like loss on sale of fixed assets etc	4,16,82,603	Debt Service Current Debt Obligation (Interest & Lease payment)	2,92,33,577	1.426	1.250
4	Return on Equity Ratio	Profit for the period Net Profit after taxes - preference dividend (if any)	50,63,003	Avg. Shareholders Equity (Beginning shareholders' equity + Ending shareholders' equity) ÷ 2	11,01,31,750	0.046	0.030
5	Inventory Turnover Ratio	Cost of Goods sold (Opening Stock + Purchases) - Closing Stock	-	Average Inventory (Opening Stock + Closing Stock)/2	-	NA	NA



HINDUSTHAN MICROFINANCE PRIVATE LIMITED
CIN : U99999MH1996PTC101376

Relevant Para of the CARO 2020 - 3(xix)

1.15	Ratio Analysis	Numerator	Amount in Rs.	Denominator	Amount in Rs.	Ratio as on 31/03/2024	Ratio as on 31/03/2023
6	Trade Receivables Turnover Ratio	Net Credit Sales Credit Sales	35,87,65,935	Average Trade Receivables (Beginning Trade Receivables + Ending Trade Receivables) / 2	3,79,20,792	0.106	0.143
7	Trade Payables Turnover Ratio	Total Purchases Annual Net Credit Purchases	44,08,05,743	Average Trade Payables (Beginning Trade Payables + Ending Trade Payables) / 2	2,83,13,913	0.064	0.083
8	Net Capital Turnover Ratio	Net Sales Total Sales - Sales Return	45,65,13,611	Average Working Capital Current Assets - Current Liabilities	14,04,33,259	3.251	2.012
9	Net Profit Ratio	Net Profit Profit After Tax	50,63,003	Net Sales Sales	45,65,13,611	0.011	0.010
10	Return on Capital employed	EBIT Profit before Interest and Taxes	93,50,959	Capital Employed * Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	23,18,12,337	0.040	0.020
11	Return on Investment	Return / Profit / Earnings	14,53,980	Investment	22,60,00,000	0.006	0.004

As per our report of even date attached
For MANISH SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Registration No. 114959W)



MANISH KUMAR SHARMA
Partner
M.NO. 45037
UDIN : 24045037BKARKQ6017

Place : Mumbai
Dated : 13th August, 2024

FOR HINDUSTHAN MICROFINANCE PVT. LTD.
CIN: U99999MH1996PTC101376

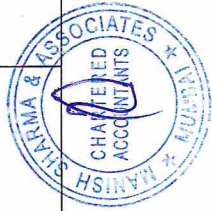


Anil L. Jadhav
Chairman & Managing Director
DIN : 01651793

Pooja Rohit Jam
Company Secretary:: M. No : A36270

HINDUSTHAN MICROFINANCE PVT. LTD.
CRAR WORKING FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

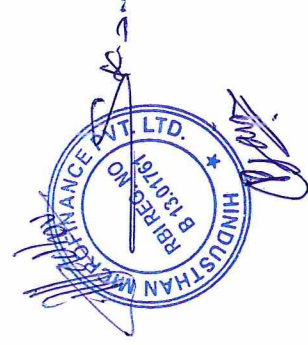
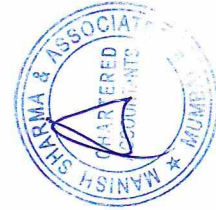
Sr. No		CRAR	2023-24			2022-23			Amount in Rs.
			Risk Ratio	Gross Assets	Weighted Assets	Risk Ratio	Gross Assets	Weighted Assets	
I		Cash & Bank Balance							
		a) Cash in Hand	0.00%	2,73,604	-	0.00%	4,00,021	-	
		b) Balance with Bank in India	0.00%	-	-	0.00%	-	-	
		i) Balance with RBI	0.00%	-	-	0.00%	-	-	
		ii) Balance with Bank	0.00%	-	-	0.00%	-	-	
II		Current Account							
		Current Account with Banks	20.00%	1,77,56,599	35,51,320	20.00%	3,88,98,716	77,79,743	
		Current Account with Other/Co Op Bank	20.00%	20,995	4,199	20.00%	60,357	12,071	
		Deposit with Bank	20.00%	1,25,00,000	25,00,000	20.00%	-	-	
		Deposit with NBFC	20.00%	-	-	20.00%	-	-	
		Deposit with Bank Lien Mark	20.00%	3,68,07,231	73,61,446	20.00%	4,65,14,821	93,02,964	
		Deposit with NBFC - Lien Mark	100.00%	80,440	80,440	100.00%	80,440	80,440	
		Deposit with Co Op Banks/Co-Op.Soc.	100.00%	50,00,000	50,00,000	100.00%	-	-	
		Interest Accrued - Banks	20.00%	30,93,783	6,18,757	20.00%	14,59,722	2,91,944	
		Interest Accrued - NBFC	20.00%	-	-	20.00%	-	-	
		Interest Accrued - Lien Mark with Banks	20.00%	-	-	20.00%	-	-	
		Interest Accrued - Lien Mark with NBFC's	100.00%	-	-	100.00%	-	-	
III		Investment							
		Government & other approved Securities	2.50%	-	-	2.50%	-	-	
		Business Correspondance Shares	100.00%	-	-	100.00%	2,000	2,000	
		Investment in Mutual funds	100.00%	-	-	100.00%	-	-	
IV		Total Portfolio Loan & Advances	100.00%	22,02,04,089	22,02,04,089	100.00%	30,12,01,455	30,12,01,455	
V		Others Receivable	100.00%	7,10,43,962	7,10,43,962	100.00%	4,62,01,883	4,62,01,883	
		Other Deposits	100.00%	77,90,140	77,90,140	100.00%	64,09,847	64,09,847	
		Deferred Tax Assets	100.00%	37,92,904	37,92,904	100.00%	57,99,900	57,99,900	
VI		Fixed Assets (Net Depreciation Provided)	100.00%	1,21,09,179	1,21,09,179	100.00%	90,73,873	90,73,873	
				39,04,72,925	33,40,56,436		45,61,03,036	38,61,56,120	



HINDUSTHAN MICROFINANCE PVT. LTD.
CRAR WORKING FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

Amount in Rs.

Sr. No	CRAR	2023-24		2022-23		Risk Ratio	Amount in Rs.	
		Particulars	Risk Ratio	Gross Assets Amount (Rs.)	Weighted Assets Amount (Rs.)		Gross Assets Amount (Rs.)	Weighted Assets Amount (Rs.)
		<u>Tier-I Capital</u>						
		Equity Capital		11,01,31,750	11,01,31,750		11,01,31,750	
		Reserves		1,82,05,929	12,83,37,679		98,95,562	12,00,27,312
		<u>Tier-II Capital</u>						
		<u>Standard Assets</u>						
		Portfolio Loans	% of Risk	22,02,04,089			30,12,01,455	
		Interest accrued on loans	100%	-		100%	-	
		Standard Assets	100%	22,02,04,089			30,12,01,455	
		General Provision for Standard Assets - Excluding on Staff Advances			9,53,134			11,53,584
		Preference Shares						1,00,00,000
		Subordinate Long term Debt Fund						5,00,00,000
		TOTAL (A)			14,92,90,813			18,11,80,896



HINDUSTHAN MICROFINANCE PVT. LTD.

Amount in Rs.