

Monedo Financial Services Private Limited  
(Previously known as Kreditech Financial Services Private Limited)

### **BOARD'S REPORT**

To  
The Members,  
**Monedo Financial Services Private Limited**  
(Formerly Known as "Kreditech Financial Services Private Limited")

Your Directors have pleasure in presenting Annual Report of the Company together with the Audited Financial Statements of the Company for the year ended **31<sup>st</sup> March, 2021**.

#### **1. FINANCIAL RESULTS:**

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
	Amount (Rs.)	Amount (Rs.)
Total Income	9,206,960	5,080,432
Profit/(Loss) before taxation	(76,704,365)	(101,362,112)
Provision for Tax: Current Tax	Nil	Nil
Profit / (Loss) for the year	(76,704,365)	(101,362,112)

The Company reported total income of 9,206,960 in the year 2021 as compared to Rs. 5,080,432/- in the year 2020. Loss for the year 2021 is 76,704,365 as compared to Rs. 101,362,113/- in the year 2020.

#### **2. RESERVES:**

Your directors do not propose to transfer any amount to reserves for the year ended 31<sup>st</sup> March, 2021.

#### **3. DIVIDEND:**

In view of losses the Board does not recommend any dividend for period under review.

#### **4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

Since there was no unpaid/unclaimed Dividend declared, the provisions of Section 125 of the Companies Act, 2013 do not apply.

#### **5. MATERIAL CHANGES DURING THE YEAR:**

There were no material changes affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report. However, the company has changed its name from "Kreditech Financial Services Private Limited" to "Monedo Financial Services Private Limited" by passing a Special Resolution at the shareholders meeting dated 11<sup>th</sup> May 2020 and company has received Certificate of Incorporation pursuant to change of name on 16<sup>th</sup> May 2020.

**P:** 022-68173300  
**E:** contact@monedo.com  
**W:** www.monedo.com

**Company Registration:**  
CIN: U65100MH2017FTC294521

**Authorized Representative:**  
Ashish Kohli



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During the year, pursuant to the Share Purchase Agreement dated 17th August, 2020, the existing shareholder i.e. M/s. Monedo Germany GmbH has sold its entire shareholding in the Company (82,119 equity shares) to Mr. Ashish Kohli, existing Managing Director & CEO. The Company has received the Reserve Bank of India's NOC dated 16th September 2020 for change of control, pursuant to which all the equity shares (82,119) has been transferred from M/s. Monedo Germany GmbH to Mr. Ashish Kohli with effect from 19th October 2020.

**6. STATE OF AFFAIRS:**

The total revenue of the Company is Rs. 9,206,960/- and the Company has made a loss of Rs. 76,704,365/-.

**7. CHANGE IN NATURE OF BUSINESS:**

During the year, there was no change in the nature of business of the Company.

**8. SIGNIFICANT AND MATERIAL ORDERS PASSED:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**9. SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES & ITS PERFORMANCE:**

During the year, the Company does not have any Subsidiaries, Joint Ventures or Associate Companies.

**10. DIRECTORS AND KMP:**

Mr. Kaushal Panchal resigned as Director of the Company on 23rd December 2020. Your directors place on record sincere appreciation for the valuable contribution made by Mr. Kaushal Panchal towards the growth and development of the Company.

The Board of Directors appointed Ms. Shruti Mehrotra (DIN: 07615640) and Mr. Vikram Behari Kaushal (DIN: 07744703) as Additional Director of the Company with effect from 04th February 2021 and Mr. Ashish Runwal (DIN: 03382646) with effect from 12th July, 2021. Ms. Shruti Mehrotra, Mr. Vikram Behari Kaushal and Mr. Ashish Runwal hold office as Additional Director until the forthcoming Annual General Meeting and are eligible for appointment as a Director of the Company.

You are requested to consider the appointment of Ms. Shruti Mehrotra and Mr. Vikram Behari Kaushal as a Director of the Company.

**11. INDEPENDENT DIRECTOR:**

The provisions of Section 149 with regard to appointment of Independent Directors are not applicable to the Company.

**12. AUDIT COMMITTEE:**

The provisions of Section 177 with regard to constitution of an Audit Committee are not applicable to the Company.

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### **13. BOARD MEETINGS:**

The Board met 19 times during the financial year. The meeting details are provided below. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013:

<b>Date of Board Meeting</b>	<b>Ashish Kohli</b>	<b>(*) Kaushal Dinesh Panchal</b>	<b>Chandan Babu Jha</b>	<b>(#) Shruti Mehrotra</b>	<b>(#) Vikram Behari Kaushal</b>	<b>Tauseef Nuruddin Shaikh</b>
04 <sup>th</sup> May, 2020	Present	Present	Lease of Absence	-	-	Present
11 <sup>th</sup> May, 2020	Present	Present	Lease of Absence	-	-	Present
08 <sup>th</sup> June, 2020	Present	Present	Lease of Absence	-	-	Present
17 <sup>th</sup> June, 2020	Present	Present	Lease of Absence	-	-	Present
24 <sup>th</sup> June, 2020	Present	Present	Lease of Absence	-	-	Present
29 <sup>th</sup> June, 2020	Present	Present	Lease of Absence	-	-	Present
02 <sup>nd</sup> July, 2020	Present	Present	Lease of Absence	-	-	Present
24 <sup>th</sup> July, 2020	Present	Present	Lease of Absence	-	-	Present
16 <sup>th</sup> August, 2020	Present	Present	Lease of Absence	-	-	Present
16 <sup>th</sup> September, 2020	Present	Present	Lease of Absence	-	-	Present
19 <sup>th</sup> October, 2020	Present	Present	Lease of Absence	-	-	Present
27 <sup>th</sup> November, 2020	Present	Present	Lease of Absence	-	-	Present
23 <sup>rd</sup> December, 2020	Present	Present	Lease of Absence	-	-	Present
20 <sup>th</sup> January, 2021	Present	-	Present	-	-	Present
04 <sup>th</sup> February, 2021	Present	-	Present	-	-	Present
10 <sup>th</sup> March, 2021	Present	-	Present	Present	Present	Present
25 <sup>th</sup> March, 2021	Present	-	Present	Present	Present	Present

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31 <sup>st</sup> March, 2021	Present	-	Present	Present	Present	Present
31 <sup>st</sup> March, 2021	Present	-	Present	Present	Present	Present

(\*) Resigned as Director w.e.f. 23rd December 2020.

(#) Appointed as Additional Director w.e.f. 04<sup>th</sup> February 2021.

#### **14. POLICY FORMULATED BY NOMINATION AND REMUNERATION COMMITTEE:**

The provisions of section 178 with regard to constitution of Nomination and Remuneration Committee are not applicable to the Company.

#### **15. DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of our knowledge and belief and in accordance with the information and explanations obtained by them, your Directors make the following statements in accordance with Sub Section (3c) of Section 134(5) of the Companies Act, 2013 that:

(i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

(ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the directors had prepared the annual accounts on a going concern basis; and

(v) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **16. SECRETARIAL STANDARD:**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

#### **17. ANNUAL RETURN:**

In accordance with the provisions of the Companies Act, 2013, the annual return in the prescribed format is available on Company's website on [www.monedo.in](http://www.monedo.in).

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#### **18. INTERNAL FINANCIAL CONTROLS:**

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

#### **19. AUDITORS:**

##### **A. STATUTORY AUDITORS:**

Company has received a resignation letter from M/s. Khimji Kunverji & Co. LLP, Chartered Accountants, existing Statutory Auditors of the Company informing their unwillingness to continue as Statutory Auditors of the Company from FY 2021-22, This resignation results into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013 ("Act").

In above scenario, the Board of Directors proposes to appoint M/s. MRB & Associates, Chartered Accountants (Firm Registration No. 136306w), who have informed the Company their willingness for the appointment as Statutory Auditors.

The Board further recommends the appointment of M/s. MRB & Associates, Chartered Accountants (Firm Registration No. 136306w), as Statutory Auditors of the Company. M/s. MRB & Associates, Chartered Accountants (Firm Registration No. 136306w), will hold office for a period of five consecutive years from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2026.

##### **B. AUDIT REPORT EXPLANATIONS:**

There were no qualifications, reservations or adverse remarks made by the auditors in their report.

#### **20. SECRETARIAL AUDIT:**

The provisions of section 204 of the Companies Act, 2013 with regard to Secretarial Audit Report are not applicable to the Company.

#### **21. LOANS, GUARANTEES OR INVESTMENTS:**

The Company has neither given any loans or guarantees, nor made investments covered under the provisions of section 186 of the Companies Act 2013.

#### **22. DETAILS OF FRAUD**

There were no frauds which are reported to have been committed by employees or officers of the Company during the year.

#### **23. RELATED PARTY TRANSACTIONS:**

All the related party transactions were in the ordinary course of business and at arm's length. The disclosure as per Form AOC-2 of the Companies Act, 2013 is given in **Annexure- I** to this report.

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**24. CONSERVATION, ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**(i) Conservation of Energy & Technology Absorption**

As the relevant provision of Companies Act 2013 is not applicable, there are no particulars required to be disclosed under this head.

**(ii) Foreign Exchange Earnings & Outgo:**

No foreign currency expenditure and earnings during the year 2020-21.

**25. RISK MANAGEMENT POLICY:**

Your Directors do not foresee any potential threats to the company and hence a risk management policy would be developed on identification of any potential risk that would threaten the existence of the company.

**26. SEXUAL HARASSMENT POLICY**

In line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted a policy on prohibition of sexual harassment at workplace. There were no cases filed of any sexual harassment by any employee including visitors or other non-employee during the financial year ended March 31, 2021.

**27. DISCLOSURE OF MAINTENANCE OF COST RECORDS:**

The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

**28. EMPLOYEE REMUNERATION:**

The details of employees in receipt of remuneration pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable to the Company.

**29. SHARE CAPITAL:**

The paid-up share capital of the Company as on 31<sup>st</sup> March, 2021 was Rs. 41,42,10,000/- divided into 82,120 Equity Shares of Rs. 5,000/- each and 722 Preference Shares of Rs. 5,000/- each.

**30. EMPLOYEE STOCK OPTION SCHEME:**

Since the Company has not granted any stock options so far, the Company is not required to give any details in this regard.

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### **31. CORPORATE SOCIAL RESPONSIBILITY:**

Since your company does not exceed any of the threshold limits specified under section 135 of the Companies Act, 2013, it is not required to spend any amount on account of Corporate Social Responsibility under the said act during the under review.

### **32. VIGIL MECHANISM:**

The provisions of section 177(9) regarding establishment of vigil mechanism are not applicable to the Company.

### **33. FIXED DEPOSITS:**

During the year, the Company has not accepted any fixed deposits attracting the provisions of Chapter V of the Companies Act, 2013 and the rules thereunder.

### **34. ACKNOWLEDGEMENTS:**

Your directors gratefully acknowledge all stakeholders of the Company viz. customers, members, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their commitment and continued contribution to the Company.

**By Order of the Board**  
**For MONEDO FINANCIAL SERVICES PRIVATE LIMITED**  
**(Formerly Known as Kreditech Financial Services Private Limited)**



**Ashish Kohli**  
**(Managing Director & CEO)**  
**(DIN: 08173836)**



**Vikram Kaushal**  
**(Director)**  
**(DIN: 07744703)**



Place: Mumbai  
Date: 15<sup>th</sup> July, 2021

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**Annexure - I**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis: NOT APPLICABLE**

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

a)	Name(s) of the related party and nature of relationship	Kaushal Panchal – Director	Chandan Babu Jha - Director
b)	Nature of contracts/arrangements/transactions	Payment of Professional Fees	Payment of Professional Fees
c)	Duration of the contracts / arrangements/transactions	Terminated w.e.f 23 <sup>rd</sup> December, 2020	On-going transactions
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	N.A.	N.A.
e)	Date(s) of approval by the Board, if any:	Not applicable since the transaction entered into in the Ordinary course of business and is at arm's length	Not applicable since the transaction entered into in the Ordinary course of business and is at arm's length
f)	Amount paid as advances, if any:	Nil	Nil

**By Order of the Board  
For MONEDO FINANCIAL SERVICES PRIVATE LIMITED  
(Formerly Known as Kreditech Financial Services Private Limited)**

*Ashish Kohli*

**Ashish Kohli  
(Managing Director & CEO)  
(DIN: 08173836)**

*Vikram Kaushal*

**Vikram Kaushal  
(Director)  
(DIN: 07744703)**



Place: Mumbai  
Date: 15<sup>th</sup> July, 2021

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**Authorized Representative:**  
Ashish Kohli

# Khimji Kunverji & Co LLP

Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Monedo Financial Services Private Limited**  
(formerly known as Kreditech Financial Services Private Limited)

### Report on the Audit of the Financial Statements

#### Opinion

- 1 We have audited the accompanying financial statements of Monedo Financial Services Private Limited (formerly known as Kreditech Financial Services Private Limited) ('the Company'), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss and its cash flows for the year ended on that date.

#### Basis for Opinion

- 2 We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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.

#### Emphasis of Matter

- 3 We draw attention to note no. 37 of the financial statements, which fully describes that the Company has recognised provision on receivables to reflect the adverse business impact and uncertainties arising from the COVID-19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID-19 pandemic. Our opinion is not modified in respect of this matter.

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

- 4 The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



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When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'.

## Responsibility of Management for Financial Statements

- 5 The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes 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; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

- 7 As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 8 As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164 (2) of the Act;
  - f. Reporting requirement pursuant to section 197 of the Act related to managerial remuneration is not applicable considering the Company is a Private Limited Company;
  - g. Pursuant to notification G.S.R583 (E) dated June 13, 2017, clause (i) of section 143 (3) of the Act relating to reporting on the internal financial controls with reference to financial statements is not applicable to the Company; and



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h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report as under:

- (i) The Company does not have any pending Litigation, as at the yearend which would impact its financial position;
- (ii) The Company has made provision, under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
- (iii) The Company is currently not liable to transfer any amount to the Investor Education and Protection Fund.

For Khimji Kunverji & Co LLP  
Chartered Accountants  
FRN: 105146W/ W100621



Vinit K Jain  
Partner  
Membership No.- 145911  
UDIN: 21145911AAAACH2530



Mumbai  
July 15, 2021

# Khimji Kunverji & Co LLP

Chartered Accountants

## Annexure 1 to the Independent Auditors' Report

[referred to in para 7 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a phased program for physical verification all its fixed assets which in our opinion, is reasonable having regard to the size of the company and nature of its assets. As informed, no material discrepancies were noticed on such verification;
- (c) The Company does not own any immovable properties. Accordingly, paragraph 3(1)(c) of the Order is not applicable to the Company .
- ii. The Company does not hold any inventory or securities as stock in trade. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us the Company has not granted any loans covered, made any investments or provided any guarantees and securities under Section 185 and Section 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. According to information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under the sub-section 1 of section 148 of the Act.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues have been generally regular deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, value added tax, Goods and Service Tax and other material statutory dues that have not been deposited with the appropriate authorities on account of any dispute.



# Khimji Kunverji & Co LLP

Chartered Accountants

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or government or dues to during the year.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence, the provision of paragraph 3(ix) of the Order is not applicable to it.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. As explained to us, the Company being a Private Limited Company as per provisions of Section 2(68) read with Section 2(71) the Act, the provisions of Section 197 read with schedule V to the Act, pertaining to managerial remuneration, are not applicable to it.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us, the Company being a Private Limited Company, the provisions of Section 177 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to it. According to the information and explanation given to us and representation made by the management, the transactions with related parties entered into by the Company, disclosures whereof are made as per applicable Accounting Standard, are in compliance with the provisions of Section 188 of the Act
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year and has made compliance of provision of Section 42 of the Companies Act, 2013 and amount raised have been used for the purpose for which the funds were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. The Company is registered under section 45IA of the Reserve Bank of India Act, 1934. We draw attention to Note no.1 of the financial statements which state that on May 16, 2020, the name of the company was changed to Monedo Financial Services Private Limited. The Company has surrendered the original COR to the Reserve Bank of India and accordingly Company has obtained new Certificate of Registration with the revised name.

For Khimji Kunverji & Co LLP  
Chartered Accountants  
FRN: 105146W/ W100621



Vinit K Jain  
Partner

Membership No.- 145911  
UDIN: 21145911AAAACH2530  
Mumbai  
July 15, 2021





**4<sup>th</sup> ANNUAL REPORT 2020-21**

**MONEDO FINANCIAL SERVICES PRIVATE LIMITED**



## Corporate Information

### Board of Directors

**Ashish Kohli**

Managing Director & CEO

**Vikram Kaushal**

Director

**Chandan Babu Jha**

Director

**Shruti Mehrotra**

Director

**Tauseef Shaikh**

Company Secretary

**Khimji Kunverji & Co LLP**

Auditors

**Registered Office**

3rd Floor, Part A, Corporate Centre,  
Andheri Kurla Road, Andheri East,  
Mumbai, Maharashtra 400059

**CIN U65100MH2017FTC294521**

**Monedo Financial Services Private Limited**  
**(Formerly known as Kreditech Financial Services Private Limited)**  
**Balance Sheet as at March 31, 2021**

	Note	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	41,42,10,000	37,06,00,000
Reserves and Surplus	4	(36,84,72,230)	(29,56,51,503)
<b>Non-Current Liabilities</b>			
Share Application Money		9,040	-
Long-Term Provisions	5	31,01,815	41,51,803
<b>Current Liabilities</b>			
Short-Term Borrowings	6	64,62,813	-
Trade Payables	7		
Total Outstanding Dues of Micro and Small Enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		4,37,390	5,22,064
Other Current Liabilities	8	1,09,88,368	59,94,785
Short-Term Provisions	9	32,71,258	41,39,156
<b>Total Equity and Liabilities</b>		<b>7,00,08,454</b>	<b>8,97,56,305</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Property, Plant and Equipment</b>			
Tangible assets	10	68,56,973	1,11,26,897
Long-Term Loans and Advances	11	1,30,82,602	2,10,88,250
Other Non-Current Assets		-	-
<b>Current Assets</b>			
Current Investments	12	1,60,23,120	4,10,00,000
Cash and Bank Balances	13	87,71,481	25,52,595
Trade Receivables	14	16,961	30,960
Short-Term Loan and Advances	15	2,11,56,410	1,35,92,582
Other Current Assets	16	41,00,907	3,65,021
<b>Total Assets</b>		<b>7,00,08,454</b>	<b>8,97,56,305</b>

Significant Accounting Policies 2

The Accompanying notes forms an integral part of Financial Statements.

This is the Balance Sheet referred to in our report of even date.

For Khimji Kunverji & Co LLP  
 Firm Registration No. 105146W/ W100621  
 Chartered Accountants



Vinit K Jain  
 Partner  
 Membership No. 145911

Place: Mumbai  
 Date : July 15, 2021



For and on behalf of the Board of Directors



Ashish Kohli  
 Managing Director & CEO  
 DIN: 08173836

Place: Mumbai  
 Date : July 15, 2021



Vikram Kaushal  
 Director  
 DIN: 07744703

Place: Mumbai  
 Date : July 15, 2021





Tauseef Shaikh  
 Company Secretary  
 ACS No: 23097

Place: Mumbai  
 Date : July 15, 2021

Monedo Financial Services Private Limited  
(Formerly known as Kreditech Financial Services Private Limited)  
Statement of Profit and Loss for the period March 31, 2021

	Note	For the year ended March 31, 2021 (Rupees)	For the year ended March 31, 2020 (Rupees)
<b>Revenue</b>			
Revenue from Operation	17	90,58,421	43,18,065
Other Income	18	1,48,539	7,62,367
<b>Total Revenue</b>		<b>92,06,960</b>	<b>50,80,432</b>
<b>Expenses</b>			
Employee Benefits Expense	19	6,38,80,212	6,93,25,710
Finance Cost	20	3,72,872	-
Depreciation and Amortisation Expense	21	44,80,937	53,18,858
Other Expenses	22	1,50,07,537	2,79,65,581
Provisions (write back and write off)	23	21,69,767	38,32,395
<b>Total Expenses</b>		<b>8,59,11,325</b>	<b>10,64,42,544</b>
Loss before tax for the year/period		(7,67,04,365)	(10,13,62,112)
<b>Tax Expense</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Loss for the year/period</b>		<b>(7,67,04,365)</b>	<b>(10,13,62,112)</b>
Earnings per equity share: [Nominal value per share: Rs. 5,000]	24		
Basic and diluted		(955.68)	(1,551.88)

Significant Accounting Policies 2  
The Accompanying notes forms an integral part of Financial Statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Khimji Kunverji & Co LLP  
Firm Registration No. 105146W/ W100621  
Chartered Accountants



Vinit K Jain  
Partner  
Membership No. 145911

Place: Mumbai  
Date : July 15, 2021



For and on behalf of the Board of Directors

  
Ashish Kohli  
Managing Director & CEO  
DIN: 08173836

Place: Mumbai  
Date : July 15, 2021

  
Vikram Kaushal  
Director  
DIN: 07744703

Place: Mumbai  
Date : July 15, 2021



  
Tauseef Shaikh  
Company Secretary  
ACS No: 23097

Place: Mumbai  
Date : July 15, 2021

Monedo Financial Services Private Limited  
(Formerly known as Kreditech Financial Services Private Limited)  
Cash Flow Statement

	For the year ended March 31, 2021 (Rupees)	For the year ended March 31, 2020 (Rupees)
<b>A. Cash Flow from Operating Activities</b>		
Loss for the year / period	(7,67,04,365)	(10,13,62,112)
Adjustments for:		
Depreciation	44,80,937	53,18,858
Contingent Provisions against Standard Assets	34,415	6,965
Contingent provision against Restructured Asset	(13,850)	28,513
Provision on Non Performing Assets	10,36,596	(14,17,936)
Provision for Gratuity	3,86,494	31,593
Provisions for Compensated absences	(2,80,734)	5,46,031
Provision for Contingencies	(15,00,000)	21,03,731
Bad Debt W/o	26,12,607	31,11,122
Interest on Fixed deposit	(1,48,539)	(6,43,662)
Gain on sale of Mutual fund Units	(7,25,615)	(2,34,123)
Loss on Sale of Property, Plant and Equipment	-	69,574
Lease Equalisation Reserve	(15,80,807)	37,347
<b>Operating profit before working capital changes</b>	<b>(7,24,02,861)</b>	<b>(9,24,04,100)</b>
Changes in Working Capital:		
Increase / (Decrease) in Trade Payables	(84,674)	(1,04,271)
Increase / (Decrease) in Other Current Liabilities	49,93,584	(2,39,378)
(Increase)/ Decrease in Loans and Advances	(21,61,052)	(64,27,795)
(Increase) / Decrease in Trade Receivables	13,999	294
(Increase) / Decrease in Other Current Assets	(37,35,886)	(2,65,625)
<b>Net cash (used in) / generated from operating activities</b>	<b>(7,33,76,890)</b>	<b>(9,94,40,875)</b>
Taxes paid (net of refunds)	9,736	(3,65,975)
<b>Net cash (used in) / generated from operating activities</b>	<b>(7,33,86,626)</b>	<b>(9,90,74,900)</b>
<b>B. Cash flow from Investing Activities</b>		
(Purchase) / Sale of Property, Plant and Equipment	(2,11,013)	1,59,210
Interest Income on Fixed Deposit	1,48,539	6,43,662
Proceeds from sale of mutual funds	11,67,02,495	5,12,34,123
Purchase of Mutual Funds	(9,10,00,000)	(9,20,00,000)
<b>Net cash generated from / (used in) investing activities</b>	<b>2,56,40,021</b>	<b>(3,99,63,005)</b>
<b>C. Cash flow from Financing Activities</b>		
Equity Shares issued during the year / period	4,00,00,000	7,60,00,000
Preference Shares issued during the year / period	36,10,000	-
Premium of Preference Share	38,83,638	-
Share Application Money	9,040	-
Term Loans	64,62,813	-
<b>Net cash generated from / (used in) from financing activities</b>	<b>5,39,65,491</b>	<b>7,60,00,000</b>
<b>Net increase in cash and cash equivalents</b>	<b>62,18,886</b>	<b>(6,30,37,905)</b>
Cash and cash equivalents at the beginning of the year / period	25,52,595	6,55,90,500
<b>Cash and Cash equivalents at the end of the year / period</b>	<b>87,71,481</b>	<b>25,52,595</b>
Cash and cash equivalents comprise of:		
Balances with Banks ( Refer Note 13 )	87,71,481	25,52,595
<b>Total</b>	<b>87,71,481</b>	<b>25,52,595</b>

Summary of significant accounting policies

Note 2

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on cash flow Statements issued by the Institute of chartered Accountants of India.

This is the cash Flow Statement referred to in our report of even date.

For Khimji Kunverji & Co LLP  
Firm Registration No. 105146W/ W100621  
Chartered Accountants

  
Vinit K Jain  
Partner  
Membership No. 145911

Place: Mumbai  
Date : July 15, 2021



For and on behalf of the Board of Directors

  
Ashish Kohli  
Managing Director & CEO  
DIN: 08173836

Place: Mumbai  
Date : July 15, 2021

  
Vikram Kaushal  
Director  
DIN: 07744703

Place: Mumbai  
Date : July 15, 2021



  
Tauseef Shaikh  
Company Secretary  
ACS No: 23097  
Place: Mumbai  
Date : July 15, 2021

**Monedo Financial Services Private Limited**  
**(Formerly known as Kreditech Financial Services Private Limited)**  
**Notes to the Financial Statements for the year ended March 31, 2021**

**1. General Information**

Monedo Financial Services Private Limited ('the Company') was incorporated on May 01, 2017 as Kreditech India Private Limited. Subsequently, on October 06, 2017, the name of the company was changed to Kreditech Financial Services Private Limited. The Company received a Certificate of Registration (COR) from the Reserve Bank of India ("RBI") on October 12, 2018 to carry on the business of Non-Banking Finance Company (NBFC) without accepting public deposits. The Company commenced business on February 01, 2019 and necessary intimation was sent to RBI. The Company operates in retail financing business.

The Company after seeking prior approval from RBI vide email dated 28th April 2020, had applied with Registrar of Companies for change in name from "Kreditech Financial Services Private Limited" to "Monedo Financial Services Private Limited". On May 16, 2020, the name of the company was changed to Monedo Financial Services Private Limited & accordingly company has received Certificate of Registration form the Reserve Bank of India with revised name.

**2. Summary of Significant Accounting Policies**

**a) Basis for preparation of financial statements**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), specified under section 133, other relevant provisions of the Companies Act, 2013 and the guidelines of Reserve Bank of India for Non-Banking Finance Company.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. Upon review of business plan involving cash flow projections of the company it was estimated by the board that the company is likely to grow its business over the next few years. Hence, accounts were prepared and adopted on going concern basis assumption.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III, Division I to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

**b) Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Although these estimates are based on Management's knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

**c) Property Plant and Equipment - Depreciation : Change in Accounting Estimate**

The Company has estimated the salvage value at the rate 5% on PPE prospectively with effect from April 1, 2020 as compared to NIL residual value until March 31, 2021. As a result, due to change in accounting estimate, the depreciation is reduced by Rs.2,63,538 in the year and accordingly net loss has decreased by equivalent amount in the year.

**d) Property, Plant and Equipment and Depreciation/Amortisation/Impairment of assets**

**(i) Property Plant and Equipment**

Tangible Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss. Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013.

The estimates of useful lives of tangible assets are as follows:

Assets	Useful Life
Leasehold Improvements	Over the primary lease period
Furniture and Fixtures	10 years
Computers	3 years
Office Equipment	5 years



Items individually costing below Rs.5,000 are capitalized and fully depreciated in the year of purchase.

e) **Operating Lease**

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

f) **Employee Benefits**

(i) **Provident Fund**

In accordance with the applicable law, all employees of the Company are entitled to receive benefits under the Provident Fund Act, 1952. Contribution towards provident fund for employees is made to the regulatory authorities. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. Since it is a defined contribution plan, the contributions are accounted for on an accrual basis and recognised in the statement of Profit and Loss.

(ii) **Compensated absences**

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(iii) **Gratuity**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

g) **Revenue Recognition**

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

(i) Interest Income on loans, including loans acquired under direct assignment arrangement, is recognised on accrual basis. Income on non-performing assets is recognised only when realised. Any such income recognised before the asset became non performing and remaining unrealised is reversed

(ii) Loan processing fees received upfront is accrued at the time of entering in to a binding agreement and recognised accordingly

(iii) Interest Income on fixed deposit with banks is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(iv) All other income is recognised on accrual basis

h) **Foreign Currency Translation**

**Initial Recognition:**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Subsequent Recognition:**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**Exchange differences:**

Exchange differences arising on the settlement of monetary items or on monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise



i) **Current and Deferred Tax**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

ii) **Cash and cash equivalents**

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

k) **Loans - Recognition, Classification and Provisioning thereof**

Recognition:

Loan finance extended to consumers are recognised as loans and advances and are accounted once all the following events are completed:

- (i) On successful completion of auto/manual underwriting;
- (ii) Completion of documentation formalities by the customers

Direct Assignment: The company entered into an arrangement for purchase of loan receivables through direct assignment. The said assets are recognised upon transfer of significant risk and reward to the purchaser based on true sale criteria.

**Classification:**

Loans are classified as standard, substandard assets, doubtful and loss assets in accordance to the Asset Classification Policy adopted by the Company, subject to compliance with minimum provision stipulated under Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 and any amendments thereto. (RBI Directions).

A loan is classified as NPA, where interest/principal instalment is overdue for a period of more than 90 days from the day it becomes due.

**Provisioning/write-off on assets**

Provision for standard assets is based on Management's assessment subject to minimum rate of 0.25% as per applicable RBI Directions.

Loan loss provision / Write-off in respect of non-performing assets is made in accordance with the policy approved by the Board of Directors of the Company which is based on Management's assessment of the degree of impairment of the loans and estimates of recoverability/realisation of the loans, subject to the minimum requirements as per applicable RBI Directions.

All assets classified as NPA, which pertains to Direct assignment portfolio would be written off in accordance with the policy approved by the Board of Directors.

l) **Investments**

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value. Non-current investments are carried at cost and any decline in the carrying value, other than temporary in nature is provided for.



*Handwritten signatures: Ashish and NSK*



**Monedo Financial Services Private Limited**  
**(Formerly known as Kreditech Financial Services Private Limited)**  
**Notes to the Financial Statements for the year ended March 31, 2021**  
m) **Impairment of assets**

In accordance with Accounting Standard 28 "Impairment of Assets", the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use.

An impairment loss is recognized whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognized in the statement of profit and loss or against revaluation surplus, where applicable.

n) **Provisions and Contingencies**

**Provisions:**

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the current obligation at the Balance sheet date and are not discounted to its present value.

**Contingent Liabilities:**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

o) **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

p) **Special Reserve**

In accordance with section 45-IC of RBI Ac, 1934, the Company creates a reserve fund and transfers therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared.



*USA*  
*Ashish* *TS*

Monedo Financial Services Private Limited  
(Formerly known as Kreditech Financial Services Private Limited)  
Notes to the Financial Statements for the year ended March 31, 2021

3. Share Capital

	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
<b>Authorised:</b>		
82,200 (75,000 prev. year) Equity Shares of Rs. 5,000 each	41,10,00,000	37,50,00,000
1,520 (Nil prev. year) Preference Shares of Rs 5,000 each	76,00,000	-
<b>Issued, Subscribed and Paid-up:</b>		
82,120 (74,120 prev. year) Equity Shares of Rs. 5000 each (fully paid up)	41,06,00,000	37,06,00,000
722 (Nil prev. year) Pref. Shares of Rs. 5,000 each (fully paid up)	36,10,000	-
<b>Total</b>	<b>41,42,10,000</b>	<b>37,06,00,000</b>
Share Application Money	9,040	-

(a) Reconciliation of Number of Shares

Equity Shares	As at March 31, 2021		As at March 31, 2020	
	Number of shares	(Rupees)	Number of shares	(Rupees)
Balance as at the beginning of the year	74,120	37,06,00,000	58,920	29,46,00,000
Add: Equity Shares Issued during the year/ period	8,000	4,00,00,000	15,200	7,60,00,000
Balance as at the end of the year	82,120	41,06,00,000	74,120	37,06,00,000
<b>Preference Shares</b>				
Balance as at the beginning of the year	Nil	Nil	Nil	Nil
Add: Issued during the year/ period	722	36,10,000	Nil	Nil
Balance as at the end of the year	722	36,10,000	Nil	Nil

(b) Rights, Preferences and restrictions attached to shares

**Equity Shares:** The Company has one class of equity shares having a par value of Rs.5000 per share. Each shareholder is eligible for one vote per share held.

The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**Preference Shares:** The Compulsorily Convertible Preference Shares ("CCPS") are issued at a minimum preferential dividend rate of 0.001% (Zero point Zero Zero One percent) per annum. The Seed Preferential Dividend shall be due only when declared by the Board. In addition, the holders of Seed CCPS shall be entitled to participate in and receive pro rata any dividends paid on the Equity Shares on an as if converted basis.

(c) Equity Shares held by Holding Company and its nominee

Particulars	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
<b>Equity Shares:</b>		
74,119 Equity shares of Rs. 5,000 each held by Monedo Germany GmbH	Nil	37,05,95,000
1 Equity share of Rs. 5,000 each held by Trupti Panchal (nominee of Monedo Germany GmbH)	Nil	5,000
<b>Total</b>	<b>Nil</b>	<b>37,06,00,000</b>



*USA*

*Anish*

*TS*

Monedo Financial Services Private Limited  
(Formerly known as Kreditech Financial Services Private Limited)  
Notes to the Financial Statements for the year ended March 31, 2021

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Equity Shares: Monedo Germany GmbH, the Holding Company</b>		
No. of Shares	Nil	74,119
% of share holding	Nil	99.99%
Rupees	Nil	37,05,95,000
<b>Equity Shares: Ashish Kohli</b>		
No. of Shares	82,119	Nil
% of share holding	99.99%	Nil
Rupees	41,05,95,000	Nil

During the year, pursuant to the Share Purchase Agreement dated 17th August, 2020, Monedo Germany GmbH has sold its entire shareholding in the Company ( 82,119 Equity shares) to Mr. Ashish Kohli, existing Managing Director & CEO of the Company. The Company has received the RBI's NOC dated 16th September, 2020 for change of control, pursuant to which all the equity shares (82,119) has been transferred from M/s. Monedo Germany GmbH to Mr. Ashish Kohli with effect from 19th October, 2020.

(e) During the year, the Company's Authorised share capital is increased as follows:

- (i) From Rs. 37,50,00,000 to Rs.41,10,00,000 via Ordinary Resolution passed by the Shareholders of the Company at the Extra-Ordinary General Meeting held on 08th June, 2020
- (ii) From Rs. 41,10,00,000 to Rs. 41,86,00,000 via Ordinary Resolution passed by the Shareholders of the Company at the Extra-Ordinary General Meeting held on 24th March, 2021

(f) During the year the Company's paid up capital is increased as follows:

- (i) 7,200 equity shares of Rs. 5,000 each were issued pursuant to rights issue of shares via resolution passed by the Board of Directors in their meeting held on 24th June, 2020 at par
- (ii) 800 equity shares of Rs. 5,000 each were issued pursuant to rights issue of shares via resolution passed by the Board of Directors in their meeting held on 02nd July 2020 at par
- (iii) 722 preference shares of Rs. 5,000 each were issued pursuant to preferential issue via resolution passed by the Board of Directors at their meeting held on 31<sup>st</sup> March 2021 at premium of Rs. 5,379 per share

#### 4. Reserve and surplus

	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934	-	-
Securities premium account		
Balance as at the beginning of the year	-	-
Add: Received on issue of Preference shares	38,83,638	-
Balance as at the end of the year	38,83,638	-
Deficit in the statement of profit and loss		
Balance as per last financial statements	(29,56,51,503)	(19,42,89,391)
Loss for the year / period	(7,67,04,365)	(10,13,62,112)
Balance as at the end of the year	(37,23,55,868)	(29,56,51,503)
<b>Total Reserve and Surplus</b>	<b>(36,84,72,230)</b>	<b>(29,56,51,503)</b>

#### 5. Long-term provisions

	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
Provision for employee benefits:		
Provision for gratuity (Refer Note 19a)	15,77,403	11,91,024
Provision for compensated absences (Refer Note 19b)	9,84,666	13,59,493
Other Provisions		
Lease Equalisation Reserve	5,39,746	16,01,286
<b>Total</b>	<b>31,01,815</b>	<b>41,51,803</b>



*Ashish Kohli*  
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Monedo Financial Services Private Limited  
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Notes to the Financial Statements for the year ended March 31, 2021

6. Short-term borrowings

	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
Secured:		
Term Loans (Refer Note 6.1)	64,62,813	
<b>Total</b>	<b>64,62,813</b>	-

6.1 Nature of Security

6.1.1 Term Loan from Private Financial Institution

All loans are secured by way of first charge of hypothecation on all specific present and future receivables/book debts created and fixed deposits/cash collateral placed with financial institutions. Security in form of personal guarantee provided by Mr. Ashish Kohli, Managing director & CEO of the company.

6.1 Terms of Repayment

From the Balance Sheet Date	Interest Range	No. of Instalments	As at March 31, 2021	As at March 31, 2020
Repayable in Monthly Instalments				
Maturity between 1 to 3 years	17.00%-18.00%	10	64,62,813	-

7. Trade payables

	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
Sundry creditors		
Total Outstanding Dues of Micro and Small Enterprises (Refer Note 27)	-	-
Total Outstanding Dues of Creditors Other Than Micro and Small Enterprises		
Others than acceptances	4,37,390	5,22,064
<b>Total</b>	<b>4,37,390</b>	<b>5,22,064</b>

8. Other current liabilities

	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
Employee benefits payable	49,11,997	19,51,988
Statutory dues including tax deducted at source	12,27,992	18,62,268
Amount received from Customers in advance	1,25,652	99,116
Other Liabilities	47,22,727	20,81,413
<b>Total</b>	<b>1,09,88,368</b>	<b>59,94,785</b>

9. Short-term provisions

	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
Provision for employee benefits		
Provision for compensated absences (Refer Note 19b)	4,47,193	3,53,100
Provision for gratuity (Refer Note 19a)	3,468	3,353
Other Provisions		
Contingent provision against Standard Assets	84,731	50,316
Provisions for Restructured Assets	14,663	28,513
Provision for Contingencies (Refer Note 31)	15,00,000	30,00,000
Provision for Non Performing Assets	12,21,203	1,84,607
Lease Equalisation Reserve	-	5,19,267
<b>Total</b>	<b>32,71,258</b>	<b>41,39,156</b>



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Monedo Financial Services Private Limited  
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Notes to the Financial Statements for the year ended March 31, 2021

10. Property, Plant and Equipment / Tangible assets

As at March 31, 2021

Description	Gross Block (at cost)				Depreciation				Net Block
	As at April 1, 2020	Additions during the year	Deletions during the year	As at March 31, 2021	As at April 1, 2020	Charge for the year	Deletions during the year	As at March 31, 2021	
Furnitures & Fixtures	17,70,880	-	-	17,70,880	4,37,433	1,52,851	-	6,00,284	11,70,596
Computers	66,60,631	-	-	66,60,631	48,05,281	15,09,752	-	63,15,033	3,45,598
Office Equipment	9,37,850	-	53,000	8,84,850	3,46,929	1,58,951	24,213	4,91,667	3,93,183
Leasehold Improvement	1,37,56,532	-	-	1,37,56,532	64,19,353	26,14,209	-	90,33,562	47,32,970
Computers Software	-	2,39,800	-	2,39,800	-	25,174	-	25,174	2,14,626
<b>Total</b>	<b>2,31,35,893</b>	<b>2,39,800</b>	<b>53,000</b>	<b>2,33,22,693</b>	<b>1,20,08,996</b>	<b>44,80,937</b>	<b>24,213</b>	<b>1,64,65,720</b>	<b>68,56,973</b>

As at March 31, 2020

Description	Gross Block (at cost)				Depreciation				Net Block
	As at April 1, 2019	Additions during the year	Deletions during the year	As at March 31, 2020	As at April 1, 2019	Charge for the year	Deletions during the year	As at March 31, 2020	
Furnitures & Fixtures	17,70,880	-	-	17,70,880	2,65,541	1,71,892	-	4,37,433	13,33,447
Computers	75,21,323	-	8,60,692	66,60,631	30,85,992	22,16,247	4,96,958	48,05,281	18,55,350
Office Equipment	8,02,900	1,34,950	-	9,37,850	1,77,060	1,69,869	-	3,46,929	5,90,921
Leasehold Improvement	1,37,56,532	-	-	1,37,56,532	36,58,503	27,60,850	-	64,19,353	73,47,179
<b>Total</b>	<b>2,38,51,635</b>	<b>1,34,950</b>	<b>8,60,692</b>	<b>2,31,35,893</b>	<b>71,87,096</b>	<b>53,18,858</b>	<b>4,96,958</b>	<b>1,20,08,996</b>	<b>1,11,26,897</b>



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Monedo Financial Services Private Limited  
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Notes to the Financial Statements for the year ended March 31, 2021

	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
<b>11. Long-term Loans and Advances</b>		
Unsecured considered good, unless otherwise stated:		
Security Deposits	19,82,360	48,11,960
Receivables from Lending Activity (Refer Note 25)		
Assigned Receivables		
- Considered good		1,70,976
- Considered doubtful	-	-
		<u>1,70,976</u>
Consumer / Personal Loans		
- Considered good	25,54,386	86,40,885
- Restructure Loan	26,943	2,32,373
- Considered doubtful	4,04,463	4,313
		<u>88,77,571</u>
	29,85,792	
Other Loans and advances		
Prepaid Expenses	-	6,973
Balances with GST Authorities	80,40,348	71,56,404
Advance tax and Tax Deducted at source	74,102	64,366
<b>Total</b>	<u><u>1,30,82,602</u></u>	<u><u>2,10,88,250</u></u>
<b>12. Current Investment</b>		
	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
Investment in Mutual Fund	1,60,23,120	4,10,00,000
	<u>1,60,23,120</u>	<u>4,10,00,000</u>
<b>13. Cash and bank balances</b>		
	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
Cash and Cash Equivalents		
Bank Balances in Current Accounts	51,41,481	25,52,595
Fixed deposits		
With Bank without Lien with maturity of less than 12 months	28,30,000	-
With Bank with Lien with maturity of less than 12 months	8,00,000	-
<b>Total</b>	<u><u>87,71,481</u></u>	<u><u>25,52,595</u></u>
<b>14. Trade Receivables</b>		
	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
Unsecured, considered good Outstanding for a period exceeding six months (from the date they are due for payment)		
Others	16,961	30,960
<b>Total</b>	<u><u>16,961</u></u>	<u><u>30,960</u></u>



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Monedo Financial Services Private Limited  
(Formerly known as Kreditech Financial Services Private Limited)  
Notes to the Financial Statements for the year ended March 31, 2021  
15. Short-term loan and advances

	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
Unsecured considered good, unless otherwise stated:		
Receivables from Lending Activity (Refer Note 25)		
Assigned Receivables		
- Considered good	96,407	21,24,107
- Considered doubtful		
	<u>96,407</u>	<u>21,24,107</u>
Consumer / Personal Loans		
- Considered good	1,91,62,201	91,90,402
- Restructure Loan	1,19,684	52,761
- Considered doubtful	8,45,253	1,80,293
	<u>2,01,27,138</u>	<u>94,23,456</u>
Other loans and advances:		
Prepaid Expenses	8,87,586	19,77,006
Other advances	45,279	68,013
<b>Total</b>	<u><u>2,11,56,410</u></u>	<u><u>1,35,92,582</u></u>

16. Other current assets

	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
Unsecured considered good, unless otherwise stated:		
Interest accrued on fixed deposits	73,510	-
Interest accrued on lending activity	4,95,948	3,20,697
Other Receivables	5,31,155	19,236
Mark to market margin - Commodity Derivative Instruments	-	-
Other Assets	30,00,294	25,088
<b>Total</b>	<u><u>41,00,907</u></u>	<u><u>3,65,021</u></u>

17. Revenue from operations

	For the year ended March 31, 2021 (Rupees)	For the year ended March 31, 2020 (Rupees)
Interest on loan		
Assigned Receivables	20,558	1,16,424
Consumer / Personal Loans	60,16,598	32,05,404
Other Operating Revenue		
Sourcing Fee Income	-	54,046
Processing Fees	9,29,784	4,70,508
Penal Interest	1,14,825	52,327
Cheque Bounced Charges	4,79,380	77,685
Misc. Income	7,71,661	1,07,548
Gain on sale of Mutual fund Units	7,25,615	2,34,123
<b>Total</b>	<u><u>90,58,421</u></u>	<u><u>43,18,065</u></u>

18. Other Income

	For the year ended March 31, 2021 (Rupees)	For the year ended March 31, 2020 (Rupees)
Interest on income tax refund	-	27,639
Interest on fixed deposit	1,40,539	6,43,662
Miscellaneous income	-	91,066
<b>Total</b>	<u><u>1,48,539</u></u>	<u><u>7,62,367</u></u>



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Monedo Financial Services Private Limited  
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Notes to the Financial Statements for the year ended March 31, 2021  
19. Employee benefits expense

	For the year ended March 31, 2021 (Rupees)	For the year ended March 31, 2020 (Rupees)
Salaries, allowances and bonus	6,07,24,698	6,56,59,714
Contribution to Provident funds	27,15,652	26,99,659
Gratuity (Refer Note (a) below)	3,86,494	31,593
Compensated Absences (Refer Note (b) below)	(1,02,673)	5,46,031
Staff Welfare Expenses	1,56,041	3,88,713
<b>Total</b>	<b>6,38,80,717</b>	<b>6,93,25,710</b>

Defined Contribution plan

	For the year ended March 31, 2021 (Rupees)	For the year ended March 31, 2020 (Rupees)
Provident Fund	22,74,323	22,44,234
Pension Fund	3,11,764	3,21,109
EDLI & other	21,782	23,706
Admin	1,07,783	1,10,700
	<b>27,15,652</b>	<b>26,99,749</b>

Defined benefit plan

(a) Gratuity

Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. Gratuity liability is a defined benefit obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on an actuarial valuation.

(i) Changes in Present value of the obligation and in the Fair Value of Assets

	As at For the year ended March 31, 2021 (Rupees)	As at For the year ended March 31, 2020 (Rupees)
Present value of Obligation at the beginning of the year	11,94,377	11,62,784
Interest cost	68,700	86,860
Current service cost	8,86,218	6,15,243
Actuarial (gain) / loss on obligation	(5,68,424)	(6,70,510)
<b>Balance at the end of the year</b>	<b>15,80,871</b>	<b>11,94,377</b>
<b>Total Actuarial gain (loss) to be recognised</b>	<b>5,68,424</b>	<b>6,70,510</b>

(ii) Balance Sheet Recognition

Present Value of Obligation	15,80,871	11,94,377
Fair Value of Plan Assets	N.A.	N.A.
Liability (Assets)	15,80,871	11,94,377
Unrecognised Past Service Cost	N.A.	N.A.
<b>Liability (Asset) recognised in the Balance Sheet-Long term provision.</b>	<b>15,80,871</b>	<b>11,94,377</b>

(iii) Expense in Statement of Profit and Loss

Current Service Cost	8,86,218	6,15,243
Interest Cost	68,700	86,860
Expected return on plan assets	N.A.	N.A.
<b>Net Actuarial (gain) loss recognised in the year</b>	<b>(5,68,424)</b>	<b>(6,70,510)</b>
Past Service Cost	N.A.	N.A.
<b>Expenses Recognised in the Statement of P&amp;L</b>	<b>3,86,494</b>	<b>31,593</b>

(iv) Movement in the Net Liability recognised in the Balance Sheet

Opening Liability	11,94,377	11,62,784
Expenses	3,86,494	31,593
Contribution	-	-
<b>Closing Net Liability</b>	<b>15,80,871</b>	<b>11,94,377</b>



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*Abhishek*



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Monedo Financial Services Private Limited  
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Notes to the Financial Statements for the year ended March 31, 2021

(v) Actuarial assumptions

	As at	As at
	For the year ended March 31, 2021 (Rupees)	For the year ended March 31, 2020 (Rupees)
Discount rate (per annum)	5.59% p.a.	5.76% p.a.
Rate of increase in compensation levels	10.00% p.a.	10.00% p.a.
Attrition	20.00% p.a.	20.00% p.a.
Mortality	IALM*(2012-14)	IALM*(2006-08)
Retirement	Ultimate	Ultimate
* India Assured Lives Mortality	60 years	60 years

The expected return on plan assets is determined based on the assumptions made by Bank at the beginning of the year based on its existing portfolio.

Experience Adjustment

Defined benefit obligation	15,80,871	11,94,377
Plan assets	-	-
(Surplus) / Deficit	15,80,871	11,94,377
Experience adjustment on plan liabilities – Gain / (Loss)	(5,84,833)	(1,85,943)
Experience adjustment on plan assets - Gain / (Loss)	-	-

(b) Compensated absences

(i) Compensated leave may be accumulated as per the applicable state law. Accumulation will be capped at 30 days for the state of Maharashtra. Any excess accumulation will automatically lapse, if not availed.

(ii) Encashment of Privileged leave will be allowed only at the time of separation from the company and will be governed by the existing Income Tax laws.

(iii) On retiring/resignation from the Company, an employee may encash his pending leave balance up to the maximum eligible limit stated above as per applicable laws and this Policy.

The liability for compensated absences is recognised as under:

Particulars

Long-term provisions	9,84,666	13,59,493
Short-term provisions	4,47,193	3,53,100

20. Finance costs

	For the year ended	For the year ended
	March 31, 2021 (Rupees)	March 31, 2020 (Rupees)
Interest on Borrowings	2,93,847	-
Processing Fees	79,025	-
<b>Total</b>	<b>3,72,872</b>	<b>-</b>



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Monedo Financial Services Private Limited  
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Notes to the Financial Statements for the year ended March 31, 2021

21. Depreciation expense

	For the year ended March 31, 2021 (Rupees)	For the year ended March 31, 2020 (Rupees)
Depreciation on tangible assets	44,80,937	53,18,858
<b>Total</b>	<b>44,80,937</b>	<b>53,18,858</b>

22. Other expenses

	For the year ended March 31, 2021 (Rupees)	For the year ended March 31, 2020 (Rupees)
Rent (Refer note 29)	56,89,778	1,11,71,788
Advertisement and business promotion	44,394	2,27,280
Information Technology support charges	6,72,000	16,23,433
Commission	-	26,79,154
Legal and professional fees	27,81,865	30,27,206
Payment to auditors :		
Audit fees	4,36,000	4,36,000
Other certification	92,650	2,45,372
Reimbursement of expenses	4,272	1,350
Postage, courier & telephone	14,60,032	17,97,048
Electricity	6,88,175	10,37,625
Bank charges	74,545	31,464
Repairs and Maintenance expenses - others	93,135	54,946
Office expenses	20,15,161	24,52,705
Travelling and conveyance	1,05,418	17,49,294
Director Fees	6,45,280	12,47,100
Loss on Sale of Fixed Assets	-	69,574
Miscellaneous	2,04,832	1,14,242
<b>Total</b>	<b>1,50,07,537</b>	<b>2,79,65,581</b>

23. Provisions and write offs

	For the year ended March 31, 2021 (Rupees)	For the year ended March 31, 2020 (Rupees)
Provisions on Standard Assets	34,415	6,965
Provisions on Restructured Assets	(13,851)	28,513
Provision on Non Performing Assets	10,36,596	(14,17,936)
Provision for Contingencies	(15,00,000)	21,03,731
Bad Debt W/o	26,12,607	31,11,122
	<b>21,69,767</b>	<b>38,32,395</b>

24. Earnings per share

	For the year ended March 31, 2021 (Rupees)	For the year ended March 31, 2020 (Rupees)
Profit after tax	(7,67,04,365)	(10,13,62,112)
Basic number of equity shares outstanding during the year	82,120	74,120
Weighted average number of equity shares outstanding during the year	80,261	65,316
Earnings Per Share (basic and diluted)	(955.68)	(1,551.88)
Face value per share (Rs.)	5,000	5,000



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25. Receivables from Lending Activity

Particulars	Long Term Loans & Advances	Short Term Loans & Advances	Total
	(Rupees)	(Rupees)	(Rupees)
<b>Assigned Receivables</b>			
Standard	-	96,407	96,407
Sub-standard	-	-	-
<b>Consumer / Personal Loans</b>			
Standard	25,54,386	1,91,62,201	2,17,16,587
Restructured	26,943	1,19,684	1,46,627
Sub-standard	4,04,463	8,45,253	12,49,716
<b>Grand Total</b>	<b>29,85,792</b>	<b>2,02,23,545</b>	<b>2,32,09,337</b>

26. Taxation:

- (i) The Company has incurred loss during the financial year and hence no provision for tax liability has been accrued in view of taxable losses for the year.
- (ii) In view of prudence, no deferred tax asset has been recognised only to the extent of deferred tax liability. Components of deferred tax are as follows:

Particulars	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
<b>Deferred Tax Liability</b>		
Timing Difference between book depreciation and depreciation as per Income Tax Act, 1961	-	-
Pre-incorporation Expenses	22,469	22,469
Employee Benefits u/s 43B	-	1,42,634
Lease Equalisation Reserve	4,11,010	-
<b>Deferred Tax Liability – total (A)</b>	<b>4,33,479</b>	<b>1,65,103</b>
<b>Deferred Tax Assets</b>		
Employee Benefits u/s 43B	8,42,222	-
Timing Difference between book depreciation and depreciation as per Income Tax Act, 1961	6,04,916	6,57,551
Provisions and Contingencies	6,64,862	1,87,746
Lease Equalisation Reserve	-	9,710
<b>Deferred Tax Asset – total (B)</b>	<b>21,12,000</b>	<b>8,55,007</b>
<b>Restricted to Deferred Tax liability</b>	<b>4,33,479</b>	<b>1,65,103</b>
<b>NET Deferred Tax Asset Recognised</b>	<b>-</b>	<b>-</b>

27. Dues to micro, small and medium enterprises

There are no dues (including interest) to micro, small and medium enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The information regarding micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

	Particulars	For the year ended March 31, 2021 (Rupees)	For the year ended March 31, 2020 (Rupees)
1	Principal amount due remaining unpaid	-	-
2	Interest amount due thereon and remaining unpaid	-	-
3	Amount of interest paid in terms of Section 18 of the MSMED Act 2006	-	-
4	Interest due and payable (under the MSMED Act 2006) which have not been	-	-
5	The amount of interest accrued and remaining unpaid at the end of the	-	-
6	Details on payments made in respect of outstanding as at Sl. No. 1 above.	-	-



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Monedo Financial Services Private Limited  
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Notes to the Financial Statements for the year ended March 31, 2021  
28. Related Party Transaction

Names of related parties and description of relationships

List of related parties during the year:

Name of the party	Nature of relationship
Ashish Kohli	Managing Director & CEO
Monedo Germany GmbH	Holding Company (upto Oct 18, 2020)

Related parties are identified by the Management and relied upon by the auditors.

List of transactions with related parties:

Nature of transactions	Related Party Name	For the year ended	For the year ended
		March 31, 2021	March 31, 2020
		(Rupees)	(Rupees)
Issue of equity shares	Monedo Germany GmbH	-	7,60,00,000
Transfer of equity shares	Ashish Kohli	41,05,95,000	-
Remuneration paid *	Ashish Kohli	2,51,24,844	2,95,01,204

\* Post employment benefit and other long-term benefits are not disclosed as these are determined for the Company as a whole.

29. Leases

The Company has entered into leave and license agreement for office premises on 1<sup>st</sup> October, 2020 effective from 1<sup>st</sup> October, 2020. Duration of the agreement is for period of 5 years with effect from 1<sup>st</sup> October, 2020 till 30<sup>th</sup> September 2025.

The agreement is a non-cancellable agreement for period of 3 years upto 30<sup>th</sup> September 2023. The total rent debited to P&L during the year against such Leave and Licenses aggregated to Rs. 56,89,778.

With respect to operating lease till 30<sup>th</sup> September 2025, the future minimum lease payments are as follows,

Particulars	As at March 31, 2021	As at March 31, 2020
	(Rupees)	(Rupees)
Not later than one year	41,26,500	1,16,91,164
Later than one year and not later than five years	1,78,02,900	1,69,11,511
Later than five years	-	-

30. Segment Reporting

In accordance with Accounting Standard-17 "Segment Reporting", the Company's business segment is providing loans and advances and it has no other primary reportable segments.

Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability and total cost incurred to acquire segment assets, is as reflected in the Financial Statements as of and for the year ended 31st March 2021. There is no distinguishable component of the Company engaged in providing services in a different economic environment. The Company renders services in one geographical segment and has no offices outside India. Hence, there are no reportable geographical segments.

31. Movement in Provision for Contingencies

Particulars	For the year ended	For the year ended
	(Rupees)	(Rupees)
Opening Balance	30,00,000	8,96,269
Adjusted against NPA	-10,36,596	-
Written Back	-19,63,404	-
Created during the year	15,00,000	21,03,731
Closing Balance	15,00,000	30,00,000

32. Non-Banking Finance Company Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions 2016.

Information in accordance with the requirement of paragraph 18 of the Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions 2016 as amended time to time is given in Annexure I.

33. Going Concern basis of preparation

The financial Statements have been prepared using the going concern basis of preparation.



*MSK*



*Ashish*

*Jg*

34. Contingent liabilities and capital commitments

Arrears of dividend payable on preference shares on cumulative redeemable preference shares INR 36(March 31, 2020: Nil)

35. Note on pending litigations

To the best of the Management knowledge, there is no pending litigations.

36. Provision for Long term contracts

The Company does not have any long-term contracts (including derivatives contracts) for the year ended March 31, 2021.

37. Disclosure as per format prescribed under notification no RBI/2020-2021/16 DOR No BP BC/3/21.04.048/2020-21 for the year ended March 31,2021

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan*	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	2	1,46,626.00	-	-	14,662.63
Corporate Loans	-	-	-	-	-
of which, MSMEs					
Others	-	-	-	-	-
<b>Total</b>	<b>2</b>	<b>1,46,626.00</b>	<b>-</b>	<b>-</b>	<b>14,662.63</b>

\* Outstanding balance as at March 31 2021

38. Disclosure as per format prescribed under notification no. RBI/2020-21/17 DOR. No.BP.BC/4/21.04.048/2020-21 (for restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances having exposure less than Rs. 25 crores) for the year ended 31 March 2021

Particulars	2020-21					2019-20				
	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
<b>Restructured Accounts</b>										
Opening Balance										
No. of Borrowers	-	1	-	-	1	-	-	-	-	-
Amount Outstanding	-	2,85,130	-	-	2,85,130	-	-	-	-	-
Provision Thereon	-	28,513	-	-	28,513	-	-	-	-	-
<b>Fresh restructuring during the year</b>										
No. of Borrowers	2	-	-	-	2	-	1	-	-	1
Amount Outstanding	1,46,626	-	-	-	1,46,626	-	2,85,130	-	-	2,85,130
Provision Thereon	14,663	-	-	-	14,663	-	28,513	-	-	28,513
<b>Upgrade to Restructured Standard Category</b>										
No. of Borrowers	-	-	-	-	-	-	-	-	-	-
Amount Outstanding	-	-	-	-	-	-	-	-	-	-
Provision Thereon	-	-	-	-	-	-	-	-	-	-



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*Ashish*  
*TS*



Monedo Financial Services Private Limited  
(Formerly known as Kreditech Financial Services Private Limited)  
Notes to the Financial Statements for the year ended March 31, 2021

Particulars	2020-21					2019-20				
	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
<b>Restructured Standard Advances cease to attract higher provision / risk weight and need to be shown as restructured standard advance</b>										
No. of Borrowers	-	-	-	-	-	-	-	-	-	-
Amount Outstanding	-	-	-	-	-	-	-	-	-	-
Provision Thereon	-	-	-	-	-	-	-	-	-	-
<b>Downgrade of restructured accounts</b>										
No. of Borrowers	-	1	1	-	-	-	-	-	-	-
Amount Outstanding	-	(2,42,991)	2,42,991	-	-	-	-	-	-	-
Provision Thereon	-	(24,299)	2,42,991	-	2,18,692	-	-	-	-	-
<b>Write offs/recoveries of restructured accounts</b>										
No. of Borrowers	-	-	-	-	-	-	-	-	-	-
Amount Outstanding- Write offs	-	-	-	-	-	-	-	-	-	-
Amount Outstanding- Recoveries	-	(42,139)	-	-	(42,139)	-	-	-	-	-
Provision Thereon	-	(4,214)	-	-	(4,214)	-	-	-	-	-
<b>Restructured Accounts - Closing Balance</b>										
No. of Borrowers	2	-	1	-	3	-	1	-	-	1
Amount Outstanding	1,46,626	-	2,42,991	-	3,89,617	-	2,85,130	-	-	2,85,130
Provision Thereon	14,663	-	2,42,991	-	2,57,654	-	28,513	-	-	28,513

39. Disclosure on Covid-19:

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian businesses and slowdown in the economic activities. The extent to which the COVID-19 developments impact the business and assets, are challenging and evolving, including, among other things, any information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 & May 23, 2020 and in accordance therewith, as on date, the Company has proposed a moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard, even if overdue as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period.

Further, the Company has, based on current available information estimated and applied management overlays based on the policy approved by the board for the purpose of determination of the accelerated provision for contingency of Rs 15 lakh (Rs 30 lakhs prev. year). On account of uncertainties arising from the COVID-19 pandemic across the world and in India, including the current 'second wave' which has resulted in imposition of renewed restrictions in various parts of the country, the extent to which the same will impact the Bank's operations and financial position will depend on various aspects including actions taken to mitigate its impact and other regulatory measures. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate. The Company will continue to closely monitor any material changes to future economic conditions, the impact assessment of COVID 19 is a continuing process given its nature and duration.



RBI Moratorium disclosure

Particulars	As at March 31, 2021	As at March 31, 2020
	(Rupees)#	(Rupees)
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended,	-	-
Respective amount where asset classification benefits is extended	-	-
Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5;	-	-
Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	-	-

# No asset classification benefit and no moratorium is provided as of March 31, 2021

40. Prior Period Comparatives

Previous period's figures which are for the year April 01, 2019 to March 2020 have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Notes to the Financial Statements referred to herein above form an integral part of the financial statements.

For Khimji Kunverji & Co LLP  
 Firm Registration No. 105146W/ W100621  
 Chartered Accountants

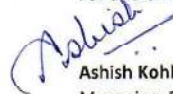


Vinit K Jain  
 Partner  
 Membership No. 145911



Place: Mumbai  
 Date : July 15, 2021

For and on behalf of the Board of Directors



Ashish Kohli  
 Managing Director & CEO  
 DIN: 08173836

Place: Mumbai  
 Date : July 15, 2021



Vikram Kaushal  
 Director  
 DIN: 07744703

Place: Mumbai  
 Date : July 15, 2021





Tauseef Shaikh  
 Company Secretary  
 ACS No: 23097  
 Place: Mumbai  
 Date : July 15, 2021



Particulars	Amount Outstanding 2020-21	Amount Outstanding 2019-20
(4) Break-up of investments :		
Current investments:		
1. Quoted		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual funds	1,60,23,120	4,10,00,000
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
Long Term investments		
1. Quoted		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
<b>Total</b>	<b>1,60,23,120</b>	<b>4,10,00,000</b>



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Monedo Financial Services Private Limited  
(Formerly known as Kreditech Financial Services Private Limited)

Particular	Amount net of provisions 2020-21		Amount net of provisions 2019-20		Total
	Secured	Unsecured	Secured	Unsecured	
(5) Borrower group-wise classification of assets financed as in (2) and (3) above:					
1. Related Parties**					
(a) Subsidiaries	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-
(c) Other related parties	-	-	-	-	-
2. Other than related parties	-	2,19,59,621	-	2,04,11,503	2,04,11,503
<b>Total</b>	-	<b>2,19,59,621</b>	-	<b>2,04,11,503</b>	<b>2,04,11,503</b>

\* Net of Provision for Non - Performing Assets

Particular	Amount 2020-21		Amount 2019-20	
	Market Value/ Break-up or fair value or NAV 2020-21	Book Value (Net of Provisions) 2020-21	Market Value/ Break-up or fair value or NAV 2019-20	Book Value (Net of Provisions) 2019-20
(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):				
1. Related Parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	-	-	-	-
<b>Total</b>	-	-	-	-

(7) Other Information	Amount 2020-21	Amount 2019-20
(i) Gross Non Performing Assets		
(a) Related Parties	-	-
(b) Other than related parties	12,49,716	1,84,607
(ii) Net Non-Performing Assets		
(a) Related Parties	-	-
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt		



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