



KALANI & COMPANY

CHARTERED ACCOUNTANTS

To,

The Board of Directors,
Digamber Capfin Limited
J-54, 55, IInd Floor, Anand Moti,
Himmat Nagar, Gopalpura Mode,
Tonk Road, Jaipur-302018 (Raj.)

Dear Sir/Madam,

This is to certify that the books of accounts, various documents and other related details in respect of M/s Digamber Capfin Limited CIN: U67120RJ1995PLC009862 ("NBFC-MFI") (**hereinafter referred to as "DCL" or "the company"**) having its Registered office situated at J-54, 55, IInd Floor, Anand Moti, Himmat Nagar, Gopalpura Mode, Tonk Road, Jaipur-302018 Rajasthan have been verified as on September 30, 2021 and as per the verification of above documents and information and explanation given to us the following details have been certified:

1. RBI DIRECTIONS

The Company is engaged in the business of micro-finance lending under Non-Banking Financial Activities and requires to hold a certificate of registration issued by Reserve Bank of India under Section 45-IA of Reserve Bank of India Act, 1934. Accordingly, the company is holding Certificate of Registration issued by RBI vide Registration no "**B-10.00099**" and following the NBFC-MFI-RBI Direction vide their circular No. RBI/2015-16/20DNBR (PD) CC.No.047/03.10.119/2015-16 dated July 1, 2015 (updated as on April 20, 2016) and amendments thereafter, if any.

Sr. No	Particulars	Compliance Required	Followed by DCL (as per Provisional Financials of as on September 30, 2021)
1.	Capital Requirement (I) Existing NBFC	Net Owned Funds (NOF) at Rs. 3 Crore by March 31, 2013 and at Rs. 5 Crore by March 31, 2014	The DCL's level of NOF is Rs. 122.98 Crore as on September 30, 2021
2.	Qualifying Assets (QA)	1. NBFC-MFIs are required to maintain not less than 85 per cent of their net assets as Qualifying Assets*. 2. NBFC-MFIs were also required to ensure that the aggregate amount of loans given for income generation is not less than 50 per cent of the total loans extended.	*QA= 93.57% Complied with
3.	Multiple Lending and Indebtedness	It is clarified that a borrower can be the member of only one SHG or one JLG or borrows as an	DCL took a declaration from the borrower for the same condition. They also checked with the Credit

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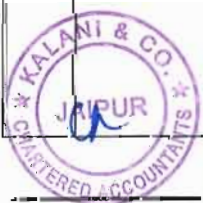




KALANI & COMPANY

CHARTERED ACCOUNTANTS

		individual. He can thus borrow from NBFC-MFIs as a member of a SHG or a member of JLG or borrow in his individual capacity. However, a SHG or JLG or individual cannot borrow from more than 2 MFIs. Lending NBFC-MFIs will have to ensure that the above conditions are strictly complied with.	Information Bureau.
4.	Ensuring Compliance with conditional ties	<p>1. Lending MFIs will have to ensure compliance with among others, conditional ties relating to annual household income levels (Rs.1,25,000/-for rural and Rs.2,00,000/- for urban and semi urban households), total indebtedness (not to exceed Rs. 1,25,000/-)</p> <p>(As per Circular No RBI/2019-20/95DOR.NBFC(PD)CC.No.103 /22.10.038/2019-20 dated November 08, 2019)</p> <p>2. Membership of Credit information companies will facilitate ensuring compliance with many of these conditional ties. Accordingly, it is reiterated that every NBFC-MFI has to be a member of all four Credit Information Company (CIC) established under the CIC Regulation Act, 2005.</p>	<p>DCL took a declaration from the borrower for the total household income in their membership form and the total indebtedness may check from Credit information bureau and also in their GRT meetings.</p> <p>Yes, they are presently the member of CRIF Highmark, TransUnion CIBIL, Equifax and Experian.</p> <p>The data is updating on Monthly basis.</p>
5.	Pricing of Credit	<p>1. The Margin Cap for all NBFCs irrespective of their Size was 12% till March 31, 2014. However, with effect from 1st April, 2014 margin cap as defined by Malegam Committee may not exceed</p>	





KALANI & COMPANY

CHARTERED ACCOUNTANTS

	<p>10 per cent for large MFIs (loans portfolios exceeding Rs. 100 Crore) and 12 per cent for the others</p> <p>2. With effect from the quarter beginning April 01, 2014, the interest rates charged by an NBFC-MFI to its borrowers will be the lower of the following:</p> <p>a) The cost of funds (COF) plus Margin as indicated in Para (l) above; or</p> <p>b) The average base rate of the five largest commercial banks by assets multiplied by 2.75. The average of the base rates of the five largest commercial banks shall be advised by the Reserve Bank on the last working day of the previous quarter, which shall determine interest rates for the ensuing quarter.</p> <p>3. 1% processing charges of the loan amount.</p> <p>4. Insurance charges as applicable</p>	<p>1. Pricing applicable as per RBI Press Release: 2021-2022/448 Dated June 30, 2021: -</p> <p>a) Margin cap applicable on DCL: 10% COF: 12.56%</p> <p>Cost of Fund plus 10% Margin (12.56+10) = 22.56%</p> <p>or</p> <p>b) (Average base rate of the five largest commercial banks—as per Press Release: 2021-2022/448) 7.98* 2.75 = 21.95 % P.A.</p> <p>(Average Base Rate 7.98% prescribed in the RBI's above mentioned press release)</p> <p>2. Processing fee is 1%+GST (The processing fee is not included in the margin cap or the interest cap)</p> <p>3. Insurance Charges as applicable (Only actual cost of insurance and administrative charges as per IRDA guidelines are recovered from its borrowers)</p>
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6.	Capital adequacy, Asset classification and provisioning Norms	<p>Capital adequacy on non-AP portfolio and the national AP portfolio (outstanding as on the balance sheet date less the provision on this portfolio not notionally added back) will have to be maintained at 15 per cent of the risk weighted assets. The total of Tier II Capital at any point of time shall not exceed 100 percent of Tier I Capital.</p> <p>Provisioning Norms: Applicable from 1st April 2013 onwards.</p> <ol style="list-style-type: none">1.1% of total of the loan outstanding portfolio2. 50% of the aggregate loan installments, which are overdue for more than 90 days and less than 180 days3. 100% of the aggregate loan installments which are overdue for 180 days or more.	<p>The CRAR of the Company was 23.76 % as on September 30, 2021 above from the minimum level of 15%</p> <p>Already complied as per the given directions.</p>
7.	Geographical Diversification	<p>NBFC-MFIs may approach their boards for fixing internal exposure limits to avoid any undesirable concentration in specific geographical locations.</p>	<p>Presently they are operating branches in the following States of India: Rajasthan, Madhya Pradesh, Haryana, Uttarakhand, Himachal Pradesh, Uttar Pradesh, Jammu and Kashmir and Punjab.</p>
8.	Customer Protection Initiatives	<p>All elements of the fair practices code issued by the bank vide DNBS.PD.CC.No.286/03.10.042/2012-13 Dated July 2, 2012 and amendments thereafter, if any, will need to be adhered to by the MFIs. NBFC-MFIs must also ensure that greater resources</p>	<p>DCL complied the same and submitted to the RBI itself.</p> <p>Also, they are initiating the trainings to JLG etc. for their money and right protection.</p>





KALANI & COMPANY

CHARTERED ACCOUNTANTS

		are devoted to professional inputs in the formation of SHG/ JLG and appropriate training and skill development activities for capacity building and empowerment after formation of the groups.	
9.	Formation of SRO	All NBFC-MFIs are encouraged to become member of at least one Self-Regulatory Organization (SRO) which is recognized by the Reserve Bank and will also have to comply with the Code of Conduct prescribed by the SRO	Yes, DCL is a member of SA-DHAN.
10.	Monitoring of Compliance	The Responsibility for compliance to all regulations prescribed for MFIs lies primarily with the NBFC-MFIs themselves.	Yes, DCL have Internal Audit along with the Secretarial Auditor.

*Remaining asset not covered in qualifying asset was also in accordance to regulation specified in this behalf.

2. The loan Funds availed will be lend to individuals and/ or groups of individuals in the form of JLGs/SHGs for non-farm income generating activities.
3. 50% of the aggregate loans extended by DCL will be for income generating activities only.
4. DCL does not charge any penalty for delayed payment of dues from their customers.
5. DCL also does not take collateral security and margin / security deposit for their loans.
6. DCL also complies with all the guidelines by RBI vide RPCD.Co.Plan 66/04.09.04/2010-11 dated May 3, 2011 (Bank loans to MFIs – Priority Sector Status and as may have been updated and issued from time to time by RBI in connection with the above guidelines. Loan portfolio of DCL is eligible to be covered under priority sector status.
7. DCL complies with the RBI Guidelines on Fair Practice Code for Non-Banking Financial Companies ref RBI/2006-07/138 DNBS (PD) CC No. 80/03.10.042/2005-06 dated September 28, 2006 as amended from time to time.

8. DCL complies with KYC/AML norms as stipulated by the RBI vide Master Circular dated July 01, 2015 on KYC guidelines – AML standards- Prevention of Money Laundering Act, 2002-

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KALANI & COMPANY

CHARTERED ACCOUNTANTS

Obligation of NBFC in terms of rules notified there under" and updation to these guidelines as may be issued from time to time.

9. The MFI is covered by Foreign Contribution (Regulations) Act, 2010 including guidelines regarding FDI/ FEMA/ ECB and is in compliance with the said Act and regulation there under by Central and State govt. laws – **Not Applicable**
10. The status of the company's Paid-up Share Capital as on September 30, 2021 is Rs. 11,37,69,300/- divided into shares of Rs. 10/-each in the form of Equity and Preference shares.
11. DCL complies with the RBI Guidelines on Corporate Governance vide notification dated December 02, 2011 and RBI Master Circular on "Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015" vide dated July 01, 2015 & amendments thereafter, if any.
12. There is no interlocking/ diversion of its funds in its associates/ subsidiaries: - **Not applicable as DCL does not have any associates/ subsidiary company.**
13. **Ageing Analysis:**

As on September 30, 2021	(Amt. In Crore)	%
Total loan outstanding that are	Value of Portfolio	
On time	585.04	94.68 %
Late (At least one payment)		
1 - 30 days	1.24	0.20 %
31 - 60 days	3.00	0.49 %
61 - 90 days	2.54	0.41 %
91 - 180 days	7.55	1.22 %
>180 Days in Arrears	18.56	3.00 %
Total Portfolio	617.94	100 %

Note: Ageing Analysis relates to only own Portfolio excluding off balance sheet portfolio related to DA & PTC transaction.

14. Loan to any ultimate borrower does not exceed Rs. 75,000/- in the first cycle and Rs. 1,25,000/- in the subsequent cycles.
15. Adjusted Debt equity ratio and adjusted leverage ratio of the Company was 2.44 and 4.51 times respectively for September 30, 2021.
16. DCL complies with Non-Banking Financial Company-Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 norms as stipulated by



KALANI & COMPANY

CHARTERED ACCOUNTANTS

the RBI vide Master Circular ref: RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 September 01, 2016 and amendments thereafter upto the extent as applicable to NBFC MFIs.

17. Company is regular in depositing all statutory dues including provident fund, employee state insurance dues, income tax, cess, Goods and service tax, municipal /revenue Dues and all other material statutory dues as applicable with appropriate authority and there are no statutory dues/liabilities pending or payable by the company.
18. Company is running its business under multiple banking arrangements and as on date all account is running regular and conduct of account is satisfactory & falls under standard account.
19. Tenure of loan is not less than 24 months in case loan amount exceeds Rs. 30,000/- Borrower have right of prepayment without penalty.
20. All loans of the company are repayable by weekly, fortnightly or monthly installments at the choice of the borrower.

This certificate is being issued pursuant to circular No. RBI/2010-11/505 Ref. RPCD.Co.Plan.66/04.09.04/2010-11 dated May 3, 2011 Bank loans to Micro Finance Institutions (MFIs) – Priority Sector status issued by the Reserve Bank of India and amendments thereafter, if any. The terms used in this certificate have the same meanings as used and contained in the said circular.

For Kalani & Company
Chartered Accountants
FRN: 000722C

Gaurav Rawat

(GAURAV RAWAT)
Partner
M. No. 412724
Place: Jaipur



Date: 30/10/2021
UDIN: 21412724 AAAA IW 9730