VIKAS MONEY LIMITED

Balance Sheet as at March 31, 2022

(In ₹ ,'000)

	Particulars	Note No	Figures as at 31st March 2022	Figures as at 31st March 2021
I	**EQUITY AND LIABILITIES**			
1	Shareholders' funds			
	(a) Share capital	3.01	92,497.50	92,497.50
	(b) Reserves and surplus	3.02	(12,874.95)	(9,855.28)
	(c) Money received against share warrants		-	-
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	3.03	1,84,973.49	1,24,455.62
	(b) Deferred tax liabilities (Net)		-	-
	(c) Other Long term liabilities	3.04	4,674.80	1,015.32
	(d) Long-term provisions	3.05	16,939.57	11,023.84
4	Current liabilities			
	(a) Short-term borrowings	3.06	15,156.13	11,437.74
	(b) Trade payables		-	-
	(c) Other current liabilities	3.07	5,814.00	6,111.56
	(d) Short-term provisions	3.08	946.01	-
	Total		3,08,126.55	2,36,686.31
II	**ASSETS**			
1	**Non Current Assets**			
	(a) Property, Plant and Equipment and Intangible assets	3.09		
	(i) Property, Plant and Equipment		10,015.78	8,412.50
	(ii) Intangible assets		1,586.35	1,303.43
	(iii) Capital work-inprogress		-	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments		-	-
	(c) Deferred tax assets (net)	3.10	4,950.06	3,394.10
	(d) Long-term loans and advances - financing activity	3.11	9,841.51	3,666.44
	(e) Long-term loans and advances - Others		-	-
	(f) Other non-current assets	3.12	1,514.75	973.05
2	**Current assets**			
	(a) Current investments		-	-
	(b) Cash and cash equivalents	3.13	5,005.02	8,349.00
	(c) Short-term loans and advances - financing activity	3.11	2,69,681.69	2,05,784.69
	(d) Short-term loans and advances - Others	3.14	1,415.31	3,396.22
	(e) Other current assets	3.15	4,116.07	1,406.86
	Total		3,08,126.55	2,36,686.31

The accompanying notes form integral part of financial statements

In terms of our report attached.

For BALAN & CO.,
Chartered Accountants
(FRN 000340 S)

BALAN & CO. ALUVA 683 101 CHARTERED ACCOUNTANTS

Vishnu Prasad B. Menon FCA
Partner (M. No. 207626)

Place : Aluva
Date : 05.09.2022

For and on behalf of the Board

A. Pradeep Menon

Ayanapara Pradeep Menon
Managing Director(DIN: 01156451)

Rajitha. R

Rajitha Valayangat
Whole-timeDirector (DIN: 02792436)

Gopalakrishnan Venkita Ramanan
Company Secretary

Place: Cherupulassery
Date : 05.09.2022

VIKAS MONEY LIMITED CHERPULASSERY

VIKAS MONEY LIMITED

Profit and loss statement for the year ended 31st March 2022

(In ₹ ,'000)

	Particulars	Note No.	From 01.04.2021 to 31.03.2022	From 01.04.2020 to 31.03.2021
I	Revenue from operations	3.16	60,961.23	37,713.49
II	Other income	3.17	1,904.86	687.19
III	Total Income(I + II)		62,866.09	38,400.68
IV	Expenses			
	Employee benefits expense	3.18	16,305.54	10,396.32
	Finance Cost	3.19	21,224.92	11,976.81
	Depreciation and amortization expense	3.20	3,625.33	2,754.45
	Other expenses	3.21	25,339.93	17,141.69
	Total expenses		66,495.71	42,269.26
V	Profit before exceptional and extraordinary items and tax (III-IV)		(3,629.63)	(3,868.58)
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V - VI)		(3,629.63)	(3,868.58)
VIII	Extraordinary Items			
IX	Profit before tax (VII- VIII)		(3,629.63)	(3,868.58)
X	Tax expense:			
	(1) Current tax		946.01	-
	(2) Deferred tax		(1,555.96)	(908.30)
			(609.95)	(908.30)
XI	Profit (Loss) for the period from continuing operations (VII-VIII)		(3,019.68)	(2,960.28)
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit/ (Loss) (XI + XIV)		(3,019.68)	(2,960.28)
XVI	Earnings per equity share	3.22		
	(1) Basic		(0.35)	(0.34)
	(2) Diluted		(0.35)	(0.34)

The accompanying notes form integral part of financial statements

In terms of our report attached.

For BALAN & CO.,
Chartered Accountants
(FRN 000340 S)

BALAN & CO. ALUVA 683 101 CHARTERED ACCOUNTANTS

Vishnu Prasad B. Menon FCA
Partner (M. No. 207626)

Place : Aluva
Date : 05.09.2022

For and on behalf of the Board

A. Pradeep Menon

Ayanapara Pradeep Menon
Managing Director(DIN: 01156451)

Rajitha R

Rajitha Valayangat
Whole-timeDirector (DIN: 02792436)

Gopalakrishnan Venkita Ramanan
Company Secretary

Place: Cherupulassery
Date : 05.09.2022

VIKAS MONEY LIMITED CIN:U65921KL1987PLC004741 CHERPULASSERY

MONEY LIMITED

Cash Flow Statement for the year ended March 31, 2022

In terms of AS - 3 on Cash Flow Statement under Indirect Method (In ₹,'000)

PARTICULARS	Figures as at 31st March 2022	Figures as at 31st March 2021
CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	(3,629.63)	(3,868.58)
Adjustments for :		
Depreciation	3,625.33	2,754.45
Interest on income tax & income tax paid	1.01	85.08
Interest Debited in P & L	21,224.92	11,976.81
(Profit) / Loss on Sale of Asset	(529.39)	(10.99)
Provision for standard assets	140.93	111.22
Provision for NPA	5,774.80	2,388.75
Operating Profit before Working Capital Changes	26,607.97	13,436.74
(Increase)/Decrease in Loans & Advances - financing activity	(70,072.06)	(57,311.95)
(Increase)/Decrease in Loans & Advances - others	2,112.87	(2,338.30)
(Increase)/Decrease in other non-current assets	(541.70)	(336.53)
(Increase)/Decrease in current assets	(2,709.22)	(113.43)
(Increase)/Decrease in long term liabilities		
Increase/(Decrease) in Sundry Creditors & Other liabilities	3,361.92	2,079.01
Cash Generated from Operations	(41,240.22)	(44,584.45)
Income Tax Paid	(132.97)	(627.74)
Net Cash From Operating Activities	(41,373.19)	(45,212.20)
CASH FLOW FROM INVESTINGACTIVITIES :		
Purchase of PPE and intangible assets	(5,982.13)	(5,461.01)
Sale of Fixed Assets	1,000.00	20.00
Net Cash From Investing Activities	(4,982.13)	(5,441.01)
CASH FLOW FROM FINANCING ACTIVITIES:		
Interest Paid	(21,224.92)	(11,976.81)
Increase/(Decrease) in Long term borrowings	60,517.87	60,208.50
Increase/(Decrease) in Short Term borrowings	3,718.39	7,361.81
Decrease in Other long term liabilities	-	-
Net Cash From Financing Activities	43,011.34	55,593.50
NET INCREASE / DECREASE IN CASH AND CASH EQVALENTS	(3,343.98)	4,940.29
OPENING CASH AND CASH EQVALENTS	8,349.00	3,408.72
CLOSING CASH AND CASH EQVALENTS	5,005.02	8,349.00

In terms of our report attached.

For BALAN & CO.,
Chartered Accountants
(FRN 000340 S)

BALAN & CO. ALUVA 683 101 CHARTERED ACCOUNTANTS

Vishnu Prasad B. Menon FCA
Partner (M. No. 207626)

Place : Aluva
Date : 05.09.2022

For and on behalf of the Board

A. Pradeep Menon

Ayanapara Pradeep Menon
Managing Director(DIN: 01156451)

Rajitha R

Rajitha Valayangat
Whole-timeDirector (DIN: 02792436)

Gopalakrishnan Venkita Ramanan
Company Secretary

Place: Cherupulassery
Date : 05.09.2022

VIKAS MONEY LIMITED CHERPULASSERY

3 Notes to the financial statements for the year ended March 31, 2022

(in ₹ '000, except as stated otherwise)

3.01 Share capital

Particulars	March 31, 2022 No.	March 31, 2022 Value	March 31, 2021 No.	March 31, 2021 Value
Authorized:				
Equity shares of ₹10 each	1,10,00,000	1,10,000.00	1,10,00,000	1,10,000.00
Preference Shares of ₹10 each	10,00,000	10,000.00	10,00,000	10,000.00
Total	1,20,00,000	1,20,000.00	1,20,00,000	1,20,000.00
Issued, Subscribed & Fully Paid Up:				
Equity Shares of ₹10 each fully paid	87,49,750	87,497.50	87,49,750	87,497.50
Preference Shares of ₹10 each fully paid	5,00,000	5,000.00	5,00,000	5,000.00
Total	92,49,750	92,497.50	92,49,750	92,497.50

3.1.1 Terms / rights attached to equity shares

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.1.2 Rights, preferences and restrictions attached to Preference Shares

The Company has issued Cumulative Redeemable Non Convertible Preference Shares ("CRNCPS") of face value ₹10/- each. The CRNCPS holders have a right to receive dividend, prior to equity shareholders. The dividend proposed by the Board of Directors on the CRNCPS is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the preference shareholders are eligible to receive the remaining assets of the Company before distribution to the equity shareholders, in proportion to their shareholding.

3.1.3 Reconciliation of shares at the beginning and at the end of the financial year

(in ₹ '000, except as stated otherwise)

Equity Shares	March 31, 2022 No.	March 31, 2022 Value	March 31, 2021 No.	March 31, 2021 Value
No. of equity shares at the beginning of the year	87,49,750	87,497.50	87,49,750	87,497.50
Add: Fresh issue	-	-	-	-
Less: shares bought back	-	-	-	-
Outstanding at the end of the year	87,49,750	87,497.50	87,49,750	87,497.50

(in ₹ '000, except as stated otherwise)

10% Cumulative Redeemable Non Convertible Preference Shares	March 31, 2022 No.	March 31, 2022 Value	March 31, 2021 No.	March 31, 2021 Value
No: of equity shares at the beginning of the year	5,00,000	5,000.00	5,00,000	5,000.00
Add: Fresh issue	-	-	-	-
Less: shares bought back	-	-	-	-
Outstanding at the end of the year	5,00,000	5,000.00	5,00,000	5,000.00

3.1.4 Particulars of Shareholders holding more than 5% share in the Company

(in ₹ '000, except as stated otherwise)

Name of shareholders	March 31, 2022 No. of shares	March 31, 2022 % of shareholding	March 31, 2021 No. of shares	March 31, 2021 % of shareholding
Equity shares				
A Pradeep Menon	29,61,150	33.84%	29,61,150	33.84%
Rajitha V	13,00,250	14.86%	13,00,250	14.86%
Shanthakumari	24,32,350	27.80%	24,32,350	27.80%
Preference Shares				
A Pradeep Menon	1,93,000	38.60%	1,93,000	38.60%
Rajitha V	56,000	11.20%	56,000	11.20%
Shanthakumari	1,02,000	20.40%	1,02,000	20.40%
Divya Alias Raji	35,000	7.00%	35,000	7.00%
Krishnakumar	35,000	7.00%	35,000	7.00%
Sindhu	35,000	7.00%	35,000	7.00%
Saritha	35,000	7.00%	35,000	7.00%

3 Notes to the financial statements for the year ended March 31, 2022

3.1.5 Particulars of Share held by Promoters of the Company - Nil

(In ₹ ,'000)

3.02 Reserves and surplus

Particulars	March 31, 2022	March 31, 2021
Statutory Reserve		
Opening Balance	2,443.86	2,443.86
(+) Additions during the year	-	-
Closing Balance	2,443.86	2,443.86
Surplus /(Deficit) in Statement of Profit and Loss		
Opening Balance	(12,299.14)	(9,338.85)
Net Profit/(Loss) after tax as per Statement of Profit and Loss	(3,019.68)	(2,960.28)
Less: Transfer to Reserves	-	-
Closing Balance	(15,318.82)	(12,299.14)
Total	(12,874.95)	(9,855.28)

Statutory Reserve
Statutory Reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934. It requires every non banking finance institution which is a Company to create a reserve fund and transfer 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. The Company has appropriated 20% of the Profit After Tax to the fund for the year.

Retained earnings or Surplus
This reserve represents the cumulative profits of the Company.

(In ₹ ,'000)

3.03 Long-term borrowings

Particulars	Non-Current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Secured				
(a) Non Convertible Debentures	65,289.00	40,341.00	1,350.00	-
(b) Term Loans From Banks	7,309.24	9,098.87	1,464.14	1,548.32
Unsecured				
(a) Subordinated Debts	1,12,375.25	75,015.75	-	-
Total	1,84,973.49	1,24,455.62	2,814.14	1,548.32

3.3.1 Nature of Security

(a) Debentures
- First ranking paripassu charge with existing secured creditors on all movable assets, including book debts and receivables, cash and bank balances, loans and advances, both present and future, of the Company.

(b) Term Loans from Banks
- Term loan form South Indian Bank is secured on an equitable mortgage created against the immovable properties held in the name of the directors.
- Vehicle loans are secured by hypothecation of respective vehicles.

Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

The company has not been declared as a willful defaulter by any bank or financial institution or other lender.

There is no continuing default as on the date of balance sheet in repayment of loans and interest.

3 Notes to the financial statements for the year ended March 31, 2022

(In ₹ ,'000)

3.3.2 Series wise classification of secured non-convertible debentures

Particulars	March 31, 2022 No. of units	March 31, 2022 Amount	March 31, 2021 No. of units	March 31, 2021 Amount
VML009	15,363	15,363.00		
VML008	6,960	6,960.00		
VML007	12,595	12,595.00		
VML006	5,850	5,850.00		
VML005	6,820	6,820.00	9,605	9,605.00
VML004	9,165	9,165.00	13,680	13,680.00
VML003	4,150	4,150.00	5,750	5,750.00
VML002	3,850	3,850.00	5,950	5,950.00
VML001	200	200.00	1,700	1,700.00
Debenture Series A 1	336	336.00	3,656	3,656.00
Non Current	65,289	65,289.00	40,341	40,341.00
Debenture Series A 1	1,350	1,350.00	-	-
Current	1,350	1,350.00	-	-
Total	66,639	66,639.00	40,341	40,341.00

(In ₹ ,'000)

3.3.3 Interest rate wise classification of secured non-convertible debentures

Particulars	March 31, 2022 No. of units	March 31, 2022 Amount	March 31, 2021 No. of units	March 31, 2021 Amount
Non-convertible debentures - 14%	11,360	11,360.00	16,960	16,960.00
Non-convertible debentures - 13.5%	12,961	12,961.00	21,681	21,681.00
Non-convertible debentures - 13%	17,428	17,428.00	-	-
Non-convertible debentures - 12.5%	23,340	23,340.00	-	-
Non-convertible debentures - 12%	200	200.00	1,700	1,700.00
Non Current	65,289	65,289.00	40,341	40,341.00
Non-convertible debentures - 13.5%	1,350	1,350.00	-	-
Current	1,350	1,350.00	-	-
Total	66,639	66,639.00	40,341	40,341.00

(In ₹ ,'000)

3.3.4 Maturity rate wise classification of secured non-convertible debentures

Particulars	March 31, 2022 No. of units	March 31, 2022 Amount	March 31, 2021 No. of units	March 31, 2021 Amount
Non Convertible Debentures - 60 months maturity				
Non - current portion	65,289	65,289.00	40,341	40,341.00
Current portion	1,350	1,350.00	-	-
Total	66,639	66,639.00	40,341	40,341.00

(In ₹ ,'000)

3.3.5 Series wise classification of unsecured subordinate bonds

Particulars	March 31, 2022 No. of units	March 31, 2022 Amount	March 31, 2021 No. of units	March 31, 2021 Amount
Subordinate Bond 2021-22 Series	37,359	37,359.25	-	-
Subordinate Bond 2020-21 Series	73,466	73,466.00	73,466	73,466.00
Subordinate Bond 2019-20 Series	150	150.00	150	150.00
Subordinate Bond 2018-19 Series	1,400	1,400.00	1,400	1,400.00
Non Current	1,12,375	1,12,375.25	75,016	75,016.00
	-	-	-	-
Current				
Total	1,12,375	1,12,375.25	75,016	75,016.00

3.3.6 Interest rate wise classification of unsecured subordinate bonds (In ₹,'000)

Particulars	March 31, 2022		March 31, 2021	
	No. of units	Amount	No. of units	Amount
Subordinate Bond - 14% and above	16,689	16,689.00	16,159	16,159.00
Subordinate Bond - 13% to <14%	32,280	32,280.00	24,270	24,270.00
Subordinate Bond - 12% to <13%	63,406	63,406.25	34,587	34,586.75
Non Current	1,12,375	1,12,375.25	75,016	75,015.75
Current	-	-	-	-
Total	1,12,375	1,12,375.25	75,016	75,015.75

3.3.7 Maturity wise classification of unsecured subordinate bonds (In ₹,'000)

Particulars	March 31, 2022		March 31, 2021	
	No. of units	Amount	No. of units	Amount
Subordinate Bond - 72 months	1,400	1,400.00	1,400	1,400.00
Subordinate Bond - 66 months	11,194	11,194.00	10,664	10,664.00
Subordinate Bond - 60 months	99,781	99,781.25	62,952	62,951.75
Non Current	1,12,375	1,12,375.25	75,016	75,015.75
Current	-	-	-	-
Total	1,12,375	1,12,375.25	75,016	75,015.75

3.04 Other Long-term liabilities (In ₹,'000)

Particulars	March 31, 2022	March 31, 2021
(a) Trade Payables	-	-
(b) Others		
Interest accrued but not due on borrowings	4,674.80	1,015.32
Total	4,674.80	1,015.32

3.05 Long-term provisions (In ₹,'000)

Particulars	March 31, 2022	March 31, 2021
(a) Provision for Employee Benefits	-	-
Provision for gratuity		
(b) Others Provisions		
(i) Contingent Provision on Standard Asset	519.29	378.36
(ii) Provision for Non Performing Assets	16,420.28	10,645.47
Total	16,939.57	11,023.84

3.06 Short-term borrowings (In ₹,'000)

Particulars	March 31, 2022	March 31, 2021
(a) Loans repayable on demand		
Secured		
From banks*	12,341.99	9,889.42
(b) Current maturities of long-term Borrowings	2,814.14	1,548.32
Total	15,156.13	11,437.74

3 Notes to the financial statements for the year ended March 31, 2022

Nature of Security
(a) Loans repayable on demand from banks
South Indian Bank OD having a limit of 99 Lakhs is secured
EM of residential property admeasuring to 73.70 cents (29.84 ares) in Re. SY. No. 325/5 door no V/230(1) of village Shornur-2, Taluk Ottapalam, District Palakkad in the name of Mr. Pradeep P. Menon and Mrs. Rajitha V.

Further, the loan has been guaranteed by the Personal guarantee of all the Directors.

**South Indian Bank Cash OD having a limit of 125 Lakhs is secured*
Pledge of 22ct gold ornaments/jewelry.
The OD facility has been obtained by pledging the gold ornaments, belonging to individual gold loan customers, originally pledged with the Company and after obtaining a NOC from each such individual customer.

Further, the loan has been guaranteed by the Personal guarantee of the Directors, Mr. Pradeep Menon, Mrs. Santhakumari and Mrs. Rajitha V.

Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date, the company shall disclose the details of where they have been used.

The quarterly returns /statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

The company has not been declared as a willful defaulter by any bank or financial institution or other lender.

There is no continuing default/default as on the date of balance sheet in repayment of loans and interest.

(In ₹,'000)

3.07 Other current liabilities

Particulars	March 31, 2022	March 31, 2021
(a) Current maturities of finance lease obligations	-	-
(b) Interest accrued but not due on borrowings	4,182.87	4,195.43
(c) Interest accrued and due on borrowings	-	-
(d) Other Payables		
(i) Statutory remittances (Refer note(i) below)	586.58	701.74
(ii) Expenses Payable	435.73	190.12
(iii) EMI Advance Received	608.82	452.28
(iv) Other advances received	-	572.00
Total	5,814.00	6,111.56

Note (i) Statutory dues includes provident fund, employees state insurance, withholding taxes.

(In ₹,'000)

3.08 Short-term provisions

Particulars	March 31, 2022	March 31, 2021
(a) Provision for Employee Benefit	-	-
(b) Provision - Others		
Provision for Income Tax	946.01	-
Total	946.01	-

(In ₹,'000)

3.10 Deferred tax assets

Particulars	March 31, 2022	March 31, 2021
(a) Deferred Tax Assets		
On difference between book balance and tax balance of PPE	661.82	495.80
Others*	4,288.24	2,898.30
Total	4,950.06	3,394.10

* Includes deferred tax on provisions etc.

3 Notes to the financial statements for the year ended March 31, 2022

3.11 Long-term loans and advances - Financing Activities

(In ₹ ,'000)

Particulars	March 31, 2022	March 31, 2021
(A)		
Loans and Advances		
Personal Loan	1,78,857.31	1,56,242.77
Gold Loan	62,214.28	4,946.00
Vehicle Loan	35,631.73	46,101.78
Business Loan	2,819.88	2,160.59
Total - (A) Gross Amount	2,79,523.20	2,09,451.14
(B)		
Secured by Securities and Assets	97,846.01	51,047.78
Covered by Bank/Government guarantees	-	-
Unsecured	1,81,677.19	1,58,403.36
Total - (B) Gross Amount	2,79,523.20	2,09,451.14
(C) Loans in India		
Public Sector	-	-
Other	2,79,523.20	2,09,451.14
Total - (C) Gross Amount	2,79,523.20	2,09,451.14
Total	2,79,523.20	2,09,451.14

3.11.2 Loans and advances - Financing Activity Maturity Wise

(In ₹ ,'000)

Particulars	Non-Current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
(A)				
Loans				
Personal Loan	9,841.51	3,618.39	1,69,015.80	1,52,624.38
Gold Loan	-	-	62,214.28	4,946.00
Vehicle Loan	-	46.95	35,631.73	46,054.83
Business Loan	-	1.11	2,819.88	2,159.48
Total (A) - Gross	9,841.51	3,666.44	2,69,681.69	2,05,784.69
(B)				
Secured by Securities and Assets	-	46.95	97,846.01	51,000.83
Covered by Bank/Government guarantees				
Unsecured	9,841.51	3,619.50	1,71,835.68	1,54,783.86
Total (B) - Gross	9,841.51	3,666.44	2,69,681.69	2,05,784.69
(C)				
Loans in India				
Public Sector	-	-	-	-
Other	9,841.51	3,666.44	2,69,681.69	2,05,784.69
Total (C) - Gross	9,841.51	3,666.44	2,69,681.69	2,05,784.69
Total	9,841.51	3,666.44	2,69,681.69	2,05,784.69

3.11.3 Category wise details of Financial Assets

(In ₹ ,'000)

Particulars	F.Y. 2021-22				
	Standard	Sub-Standard	Doubtful	Loss	Total
Personal Loan	1,44,859.79	33,914.82	82.71	-	1,78,857.31
Gold Loan	61,990.68	223.60		-	62,214.28
Vehicle Loan	73.13	4,566.40	30,992.21	-	35,631.73
Business Loan	791.84	290.67	1,737.36	-	2,819.88
Total	2,07,715.44	38,995.49	32,812.28	-	2,79,523.20

3 Notes to the financial statements for the year ended March 31, 2022

(In ₹ ,'000)

3.11.4 Category wise details of Financial Assets

Particulars	Standard	Sub-Standard	F.Y. 2020-21 Doubtful	Loss	Total
Personal Loan	1,41,546.98	14,632.98	62.81	-	1,56,242.77
Gold Loan	4,946.00	-	-	-	4,946.00
Vehicle Loan	4,214.04	24,502.72	17,385.02	-	46,101.78
Business Loan	638.22	958.99	563.38	-	2,160.59
Total	1,51,345.23	40,094.70	18,011.21	-	2,09,451.14

(In ₹ ,'000)

3.12 Other non-current assets

Particulars	March 31, 2022	March 31, 2021
(a) Long Term Trade Receivables	-	-
(b) Security Deposits Unsecured, considered good	1,514.75	973.05
Total	1,514.75	973.05

(In ₹ ,'000)

3.13 Cash and cash equivalents

Particulars	March 31, 2022	March 31, 2021
(a) Balance with banks In Current Accounts In deposit accounts	1,497.00	6,611.99
(b) Cash in Hand	3,508.03	1,737.01
Total	5,005.02	8,349.00

(In ₹ ,'000)

3.14 Short-term loans and advances

Particulars	March 31, 2022	March 31, 2021
(a) Loans and advances to related parties Unsecured, considered good	-	-
(b) Other Loans and Advance (i) Loans and advances to employees	10.25	80.89
(ii) Balances with government authorities TDS, TCS and Advance Income Tax	147.18	15.22
GST Receivables	13.50	598.26
(iii) Others (Prepaid Expenses and other advances)	1,244.38	2,701.85
Total	1,415.31	3,396.22

(In ₹ ,'000)

3.15 Other Current assets

Particulars	March 31, 2022	March 31, 2021
(a) Accruals Interest accrued on loans	3,244.62	1,364.77
(b) Others Other Receivables	871.45	42.09
Total	4,116.07	1,406.86

3 Notes to the financial statements for the year ended March 31, 2022

3.16 Revenue from operations

Particulars	March 31, 2022	March 31, 2021
		(In ₹ ,'000)
(a) Income from Financing activity		
Interest received on Personal Loans	47,609.07	25,011.23
Interest received on Gold Loans	5,428.77	468.13
Interest received on Vehicle Loans	2,974.88	7,097.65
Interest received on Business Loans	116.11	691.00
(b) Documentation & processing charges	4,832.39	4,445.49
Total	60,961.23	37,713.49

3.17 Other income

Particulars	March 31, 2022	March 31, 2021
		(In ₹ ,'000)
(a) Interest Income		
(i) Interest on deposits	19.79	69.61
(b) Other non-operating income (net of expenses directly attributable to such incom		-
(i) Foreign Exchange income (net)	98.33	83.54
(ii) Profit on sale of fixed asset	529.39	10.99
(iii) Other income	1,257.36	523.04
Total	1,904.86	687.19

3.18 Employee benefit expenses

Particulars	March 31, 2022	March 31, 2021
		(In ₹ ,'000)
Salaries and Wages	14,766.31	9,187.12
Contributions to provident and other funds	1,539.23	1,209.20
Total	16,305.54	10,396.32

3.19 Finance costs

Particulars	March 31, 2022	March 31, 2021
		(In ₹ ,'000)
(a) Interest expense on		
Borrowings	21,223.91	11,891.73
(b) Others		
Interest on delayed payment of Income Tax and TDS	1.01	85.08
TOTAL	21,224.92	11,976.81

3.20 Depreciation and amortization expenses

Particulars	March 31, 2022	March 31, 2021
		(In ₹ ,'000)
Depreciation	3,053.50	2,332.40
Amortization	571.84	422.05
Total	3,625.33	2,754.45

3 Notes to the financial statements for the year ended March 31, 2022

3.21 Other Expenses

(In ₹ ,'000)

Particulars	March 31, 2022	March 31, 2021
Advertisement	1,220.28	1,489.87
AMC Charges	453.40	272.12
Arbitration Charges	20.75	10.70
Audit Fee	160.00	135.00
Bank Charges & Commission	139.39	113.41
Business Incentives & Commission	2,183.21	2,520.85
Court Fees	44.86	57.10
Credit bureau expenses	755.39	-
Directors Salary	3,480.00	3,141.00
Directors Sitting Fees	75.00	77.00
Donation	165.22	120.39
Electricity Charges	499.99	378.20
GST paid	824.12	295.52
Insurance	72.26	21.85
Income Tax paid	-	3.79
Legal & Professional Charges	389.99	1,160.93
Membership Fees	-	15.00
Miscellaneous Expenses	15.55	2.63
Office Expense	658.93	628.02
Petrol & Diesel Charges	237.21	176.55
Postage & Telephone	927.89	499.71
Printing & Stationery	643.43	579.32
Rent	2,181.33	1,234.55
Rates and taxes	3.49	2.05
Recovery Charges	7.66	0.35
Repairs & Maintenance	999.97	505.52
ROC Filing Fee	59.20	16.68
Security charges	156.00	100.20
Staff Meeting & Welfare Expenses	129.70	94.68
Subscription Charges	203.75	61.16
Suit Filing Charges	10.20	15.45
Travelling Expense	1,872.60	870.96
Vehicle expenses	22.55	17.57
Provisions and Written offs	6,726.61	2,523.55
Total	25,339.93	17,141.69

3.21.1 Payment to Auditors Comprises of :

(In ₹ ,'000)

Particulars	March 31, 2022	March 31, 2021
As auditors - statutory audit	120.00	100.00
For taxation matters	40.00	35.00
Total	160.00	135.00

3.21.2 Provisions and Written Offs

(In ₹ ,'000)

Particulars	March 31, 2022	March 31, 2021
Provision for		
Standard assets	140.93	111.22
Non performing assets	5,774.80	2,388.75
Bad debts written off	810.88	23.58
Total	6,726.61	2,523.55

Notes to the financial statements for the year ended March 31, 2022

3.22 Earnings Per Share

The company reports basic and diluted Earnings per Share in accordance with AS 20. Basic Earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding at the end of the year. Diluted Earnings per share have been computed using the weighted average number of equity shares and potential equity shares outstanding at the end of the year.

(in ₹, '000 except equity share and per equity share data)

Particulars	March 31, 2022	March 31, 2021
Net profit for the year attributable to the equity shareholders	(3,019.68)	(2,960.28)
Weighted average number of equity shares	87,49,750	87,49,750
Par value per share	10.00	10.00
Earnings per share - Basic and Diluted	(0.35)	(0.34)

3.23 Employee Benefits

Details of Employee Benefits : Disclosures required under Accounting Standard 15 – Employee Benefits (Revised 2005)

a. Defined Contribution Plans : (In ₹ ,'000)

During the year, the following amounts have been recognized in the Profit and Loss account on account of defined contribution plan

Particulars	March 31, 2022	March 31, 2021
Employers Contribution to Provident Fund	1,263.06	971.50
Employers Contribution to Employee's State Insurance	268.87	225.09

3.24 Related party disclosures

3.24.1 Names of Related Parties

(A) Holding -

(B) Key Management Personnel	Designation
Ayanapara Pradeep Menon	Managing Director
Rajitha Valayangat	Whole time Director
Pilavazhi Santhakumari	Whole time Director
Gopalakrishnan Venkita Ramanan	Company Secretary

(C) Entities in which KMP / Relatives of KMP can exercise significant influence

Mandhirvikas Nidhi Limited
Aeppyem Chits and Kuries Pvt. Ltd.
Prachodhan Retail Private Limited
Vasthravikas Silks LLP (formerly known as Prachodhan Sarees LLP)
Marthya Vikas Foundation

(D) Relatives of Key Management Personnel	Relation
Surya Menon	Daughter of Managing Director

3.24.2 Related Party transactions during the year: (In ₹ ,'000)

Particulars	KMP		Relatives of KMP	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Remuneration	2,881.56	2,660.00	600.00	545.00
Sitting Fees	45.00	50.00	15.00	12.50
Rent Paid	60.00	60.00	-	-
Subordinate Debt Subscribed	-	25.00	-	-
Expense Reimbursed	-	39.82	-	-
Interest paid on subordinate debts	3.50	2.20	-	-

3

Notes to the financial statements for the year ended March 31, 2022

Related party transactions during the year(contd.):

(In ₹ ,'000)

Particulars	Holding Company		Entities in which KMP / Relatives of KMP can exercise significant influence	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Loans advanced	-	-	500.00	600.00
Loans repaid	-	-	328.44	-
Interest received on loans	-	-	40.06	-
Asset purchased	-	-	-	49.78

3.24.3 Balance outstanding as at the year end: Asset/ (Liability)

(In ₹ ,'000)

Particulars	KMP		Relatives of KMP	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Sub Ordinate Debts	(25.00)	(25.00)	-	-

Balance outstanding as at the year end: Asset/ (Liability)

(In ₹ ,'000)

Particulars	Holding Company		Entities in which KMP / Relatives of KMP can exercise significant influence	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Loan and Advances	-	-	500.00	328.44

3.24.4 Transaction with non executive director

(In ₹ ,'000)

Name	Nature of Transaction	March 31, 2022	March 31, 2021
Satheesh	Remuneration	480.00	416.00
Satheesh	Sitting fees	15.00	12.50

3.25 Disclosure with regard to dues to Micro Enterprises and Small Enterprises

The management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. The company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

3.26 Contingent liabilities and capital commitments

(In ₹ ,'000)

Particulars	March 31, 2022	March 31, 2021
Contingent Liabilities: -		
Claim not acknowledge as debt by the company	-	-
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-
Guarantee and Letter of Credit issued by banker on behalf of the company	-	-
Capital commitments :-		
Estimated amount of the contract to be executed on capital account		

Future cash outflow in respect of above is determinable only on receipt of judgments /decision pending with various forums/authorities. The Company is of the opinion that the above demands are not tenable and expects to succeed in its appeals/defense. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations

3

Notes to the financial statements for the year ended March 31, 2022

3.27 Additional Regulatory Information

Particulars	Numerator	Denominator	Current Period	Previous Period	% of variance*
Liquidity Ratio					
Current Ratio (times)	Current assets	Current liabilities	12.79	12.48	2.49%
Solvency Ratio					
Debt-Equity Ratio (times)[1]	Total debt	Shareholder's equity	2.51	1.64	52.85%
Debt Service Coverage Ratio (times)[2]	Earnings available for debt service	Debt service	1.16	0.42	173.36%
Profitability ratio					
Net Profit Ratio (%)[3]	Net profits	Revenue	-4.95%	-7.85%	-36.89%
Return on Equity Ratio (%)	Net profits after taxes	Average shareholder's equity	-3.97%	-3.74%	6.01%
Return on Capital employed (%)[4]	Earning before interest and taxes	Capital employed	6.44%	3.79%	69.84%
Utilization Ratio#					
Trade Receivables turnover ratio (times)	Revenue	Average trade Receivable	-	-	-
Inventory turnover ratio (times)	Revenue	Average Inventories	-	-	-
Trade payables turnover ratio (times)	Purchases of services and other expenses	Average trade payables	-	-	-
Net capital turnover ratio (times)	Revenue	Working capital	-	-	-

Note on Financial Ratios : *(Explanation for change in the ratio by more than 25%)

1. The debt equity ratio has increased because of increased borrowings undertaken as part of the expansion plans of the Company.

2. The debt service coverage ratio has improved because of increase in earnings available for debt service and principal repayments of loans during the year. (only principal repayments and interest payments of debentures and term loan have been considered for debt service)

3. Better profitability leading to a better net profit margin resulted in a slight increase in net profit ratio in comparison with year ended March 31, 2021

4. Return on Capital employed has increased in the current year on the base of increase in earnings before interest and taxes.

As the Company is operating in the financial service sector utilization ratios are not determinable.

3.28 Percentage of loans granted against collateral of gold jewelry to total assets

(In ₹,'000)

Particulars	March 31, 2022	March 31, 2021
Gold Loans granted against collateral of gold jewelry	62,214.28	4,946.00
Total assets of the Company	3,08,126.55	2,36,686.31
Percentage of Gold Loans to Total Assets	20.19%	2.09%

3.29 Movement of NPAs

(In ₹,'000)

Particulars	March 31, 2022	March 31, 2021
i. Net NPAs to Net Advances (%)	21.05%	23.87%
ii. Movement of NPAs (Gross)		
(a) Opening balance	58,105.91	45,281.15
(b) Net additions during the year	13,701.86	12,824.76
(c) Closing balance	71,807.77	58,105.91
iii. Movement of Net NPAs		
(a) Opening balance	47,460.43	37,024.43
(b) Net additions during the year	7,927.06	10,436.00
(c) Closing Balance	55,387.49	47,460.43
iv. Movement of provisions for NPAs (excluding Provisions on Standard Assets)		
(a) Opening balance	10,645.47	8,256.72
(b) Provisions made during the year	5,774.80	2,388.75
(c) Write-off/ write-back of excess provisions	-	-
(d) Closing balance	16,420.28	10,645.47

3 Notes to the financial statements for the year ended March 31, 2022

3.30 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)
The company does not have any joint venture or subsidiary overseas during the year 2021-22 & 2020-21

3.31 Draw Down from reserves
No reserves have been draw down during the financial year 2021-22 & 2020-21

3.32 Customer complaints

Particulars	March 31, 2022	March 31, 2021
No. of complaints pending as at the beginning of the year	-	-
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending as at the end of the year		

3.33 Value of imports calculated on CIF Balance
The Company has not imported any goods therefore value of import on CIF basis is Nil during the year 2021-22. (2020-21 – Nil)

3.34 Expenditure in Foreign Currency
The Company does not have any expenditure in Foreign Currency during the year 2021-22. (2020-21 – Nil)

3.35 Earning in Foreign Currency
The Company is a dealer in foreign exchange and is holding FFMC license, FFMC License No. FE.CHN.FFMC.83/2017. The profit earned by the Company upon the purchase and sale of foreign currency transaction during the year amounting to ₹ 98,329/- (2020-21 - ₹ 83,544/-) is recognized in the profit and loss.

Other notes

3.36 In the opinion of the management , the current assets, loans and advances shall realize the value as shown in the balance sheet, if realized in the normal course of business.

3.37 Balance of some of the debtors, creditors & loans and advances are subject to confirmation/reconciliation.

3.38 There has been no significant impact on the operations and financial position of the company on account of the outbreak of COVID-19 pandemic and consequential lock-down restrictions imposed by the Government.

3.39 Other notes as required by Schedule III of the Act are either nil or not applicable hence not disclosed.

3.40 There are no transactions with struck off companies under section 248 or 560

3.41 The Company has a single reportable segment i.e. financing which has similar risk & return for the purpose of AS-17 on 'Segment Reporting' notified under the Companies (Accounting Standard) Rules, 2006 as amended. The Company operates in a single geographical segment i.e. domestic.

3.42 The Company hasn't advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
Directly or indirectly lend or invest in other persons or entities identified in any manner what so ever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

3.43 The Company hasn't received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
Directly or indirectly lend or invest in other persons or entities identified in any manner what so ever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3.44 Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

3 Notes to the financial statements for the year ended March 31, 2022

3.45 Disclosures required as per Reserve Bank of India Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

(₹ in Lakhs)

	Particulars		
	Liabilities side :	Amount out-standing	Amount overdue
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
	(a) Debentures : Secured	687.75	-
	: Unsecured (other than falling within the meaning of public deposits)		-
	(b) Deferred Credits		-
	(c) Term Loans	87.73	-
	(d) Inter-corporate loans and borrowing		-
	(e) Commercial Paper		-
	(f) Public Deposits		-
	(g) Other Loans –		
	Subordinate Bonds	1,190.97	-
	Loans repayable on demand	123.42	-
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-
	Assets side :	Amount outstanding	
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	(a) Secured	994.40	
	(b) Unsecured	1,833.27	
4	Break up of Leased Assets and stock on hire and hypothecation loans counting towards asset financing activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	
	(b) Operating lease	-	
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	
	(b) Repossessed Assets	-	
	(iii) Other loans counting towards assetfinancing activities		
	(a) Loans where assets have been repossessed	-	
	(b) Loans other than (a) above	-	
5	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	-	
	(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)	-

6 Borrower group-wise classification of assets financed as in (3) and (4)above

Category	Amount net of provisions		
	Secured	Unsecured	Total
1 Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2 Other than related parties			
Total	882.61	1,780.87	2,663.48

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties		
(a) Subsidiaries		
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2 Other than related parties	-	-
Total	-	-

8 Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	718.08
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	553.87
(iii) Assets acquired in satisfaction of debt	-

terms of our report attached.

r BALAN & CO.,
artered Accountants
N 000340 S)

BALAN & CO. ALUVA 683 101 CHARTERED ACCOUNTANTS

nu Prasad B. Menon FCA
ner (M. No. 207626)

: Aluva
: 05.09.2022

For and on behalf of the Board

A. Pradeep Menon

Ayanapara Pradeep Menon
Managing Director(DIN: 01156451)

Rajitha. R

Rajitha Valayangat
Whole-timeDirector (DIN: 02792436)

Gopalakrishnan Venkita Ramanan
Company Secretary

Place: Cherupulassery
Date : 05.09.2022

VIKAS MONEY LIMITED CIN:U65921KL1987PLC004741 CHERPULASSERY

VIKAS MONEY LIMITED

3 Notes to the financial statements for the year ended March 31, 2022

3.09 Property Plant and Equipments

Particulars	Land	Building	Computer	Electrical Fittings	Furniture & Fittings	Motor Vehicle	Office Equipment	Total
Cost:								
As at April 1, 2021	304.93	1,731.30	1,236.65	1,088.01	4,506.81	3,242.11	2,846.45	14,956.27
Additions	-	-	657.74	172.35	2,908.58	-	1,388.71	5,127.38
Disposals	-	-	-	-	-	1,953.02	-	1,953.02
As at March 31, 2022	304.93	1,731.30	1,894.39	1,260.36	7,415.40	1,289.09	4,235.16	18,130.64
Depreciation and impairment:								
As at April 1, 2021	-	239.93	784.94	444.84	1,544.67	2,260.33	1,269.05	6,543.77
Additions	-	126.34	371.73	173.02	1,132.35	235.98	1,014.07	3,053.50
Disposals	-	-	-	-	-	1,482.41	-	1,482.41
As at March 31, 2022	-	366.27	1,156.67	617.86	2,677.02	1,013.90	2,283.13	8,114.86
Net book value:								
As at April 1, 2021	304.93	1,491.37	451.71	643.17	2,962.15	981.78	1,577.40	8,412.50
As at March 31, 2022	304.93	1,365.03	737.71	642.50	4,738.38	275.19	1,952.04	10,015.78

3.09 Intangible Assets

Particulars	Website	Software	Total
Cost:			
As at April 1, 2021	262.46	2,004.77	2,267.22
Additions	12.00	842.75	854.75
Disposals	-		-
As at March 31, 2022	274.46	2,847.52	3,121.97
Depreciation and impairment:			
As at April 1, 2021	103.25	860.54	963.79
Additions	50.99	520.85	571.84
Disposals	-	-	-
As at March 31, 2022	154.24	1,381.39	1,535.63
Net book value:			
As at April 1, 2021	159.21	1,144.23	1,303.43
As at March 31, 2022	120.22	1,466.13	1,586.35

otes to the Financial Statements for the year ended March 31, 2022

Company Overview

kas Money Limited ('the company') is registered as a Non-anking Financial Company ('NBFC') as defined under section -IA of the Reserve Bank of India Act, 1934. The Company is a on-Systemically Important Non-Deposit accepting NBFC. The mpany is principally engaged in lending activity.

Significant accounting policies

Basis of preparation of financial statements

e financial statements have been prepared in accordance h the Generally Accepted Accounting Principles (IGAAP) der the historical cost convention as a going concern and on rual basis and in accordance with the provisions of the npanies Act, 2013 and the Accounting Standards specified er section 133 of the Companies Act, 2013 ("the Act") read Rule 7 of the Companies (Accounts) Rules 2014 (as ended).

ssets and liabilities have been classified as current and non-ent as per the Company's normal operating cycle and other ria set out in the Schedule III of the Companies Act, 2013. d on the nature of services and their realization in cash and equivalents, the Company has ascertained its operating as 12 months for the purpose of current/non-current fication of assets and liabilities.

ential norms: The Company Complies all the material t, with the prudential norms relating to income nition, asset classification and provisioning for bad and ful debts and other matters, specified in the direction by the Reserve Bank of India in terms of the Non-Banking cial (Non-Deposit Accepting or Holding) Companies ntial Norms (Reserve Bank) Directions, 2007 ("RBI ons, 2007), as applicable to the Company.

Use of estimates

eparation of financial statements in conformity with GAAP requires management to make estimates and ptions that affect the reported balances of assets and es and disclosures relating to contingent liabilities as at e of the financial statements and reported amounts of and expenses during the period.

ting estimates could change from period to period. esults could differ from those estimates. Appropriate in estimates are made as the Management becomes of changes in the circumstances surrounding the es. Changes in estimates are reflected in the financial nts in the period in which changes are made and, if their effects are disclosed in the notes to the financial nts.

2.3 Revenue recognition

Revenues are recognized and expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses. Revenue is recognized to the extent it is realizable wherever there is uncertainty in the ultimate collection.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable, except that no income is recognized on non-performing assets as per the prudential norms for income recognition issued by the RBI for NBFCs. Interest income on such assets is recognized on receipt basis.

Upfront/processing fees collected from the customer for processing loans are primarily towards documentation charges. These are accounted as income when the amount becomes due provided recovery thereof is reasonably certain.

2.4 Provisioning Norms for Standard & Sub-Standard Assets

Non-performing assets are recognized and provided for, as per management estimates, subject to the minimum provision required as per Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued vide master direction No DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 as amended from time to time

Similarly, provision on standard assets is also made as per the RBI NSI- ND Directions.

2.5 Bad Debts

As per management estimates, the loan accounts which are considered as irrecoverable on account of collection is written off in the year of determination of irrecoverability. Interest income not realized on such loans is reversed and the principal outstanding as reduced by the total receipts is written off as Bad Debts.

2.6 Property, Plant and Equipment

Property, Plant and Equipment are carried at the cost of acquisition or construction, less accumulated depreciation/ accumulated impairment. The cost comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.
If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure is capitalized only if it is

probable that the future economic benefits associated with the expenditure will flow to the Company.
Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets, which are carried at cost, are recognized in the Statement of Profit and Loss.

2.7 Intangible assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization.

2.8 Depreciation and amortization

Depreciation on Property, Plant & Equipments is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. In respect of additions or extensions forming an integral part of existing assets, depreciation is provided as aforesaid over the residual life of the respective assets.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life.

2.9 Investments

Investments, which are readily realizable and 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 long-term 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. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.10 Impairment

The management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventful disposal. An impairment loss for an asset is reversed if, and only if, the reversal can bed related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.11 Employee benefits

Short Term Employee Benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense).

Defined Contribution Plan

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both th eligible employees and the Company make month contributions to the Government administered provident fur scheme equal to a specified percentage of the eligib employee's salary. Amounts collected under the provident fur plan are deposited with in a government administere provident fund.

The Company's contribution to employee state insuran scheme is considered as defined contribution plans and charged as an expense in the Statement of Profit and Loss bas on the amount of contribution required to be made and wh services are rendered by the employees.

The Company has no further obligation to the plan beyond monthly contributions.

2.12 Foreign currency transactions

Foreign currency transactions are recorded in the repor currency, by applying to the foreign currency amount exchange rate between the reporting currency and the for currency at the date of the transaction.

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of profit and loss.

Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of profit and loss.

2.13 Income taxes

Tax expense for the year comprises current tax and deferred tax.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the

Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realizability.

2.14 Segment Reporting

The Company primarily operates as a Loan company and its operations are in India. Since the Company has not operated in any other reportable segments, as per AS 17 'Segment Reporting', no segment reporting is applicable. Company operates in a single geographical segment. Hence, secondary geographical segment information disclosure is not applicable.

2.15 Lease

Where the company is lessee

All the leasing arrangements of the Company are operating lease in respect of its office premises where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset. Such operating lease rental payments are recognized as an expense on accrual basis in the Statement of Profit and Loss.

Where the company is the lessor

Assets subject to operating lease are included in the fixed assets. Lease income on operating lease is recognized in the Statement of Profit and Loss. Costs, including depreciation, are recognized as expenses in the Statement of Profit and Loss.

2.16 Earnings per share

The Company reports basic and diluted earnings per share in accordance with AS 20, Earnings per Share, as specified under Section 133 of the Companies Act, 2013. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.
Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

2.17 Cash & equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2.18 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.19 Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period they occur.

2.20 Classification of Debentures

Company has classified debentures as current and non-current based on the maturity period of debenture as mentioned in debenture certificate.

2.21 Provisions, Contingent liabilities and Contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statement since this result in the recognition of the income that may never realize.

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

Provision policy for loan portfolios: Company provides for non-performing loans and advances as specified in Para 13 of Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

The Company follows the practice of advancing loans in the nature of vehicle loans at a Loan-To-Value Ratio (LTV) of 90%. The Company at present does not have a practice of recording the underlying value of security in respect of vehicle loans in the current software. The Company at the time of providing for non-performing vehicle loans has considered the value provided by approved valuer as the underlying value of security. Provision for standard assets is made at 0.25% as per para 14 of Master Direction -Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.