



ANNUAL REPORT FOR THE FY 2018-19

**VANCHINAD FINANCE PRIVATE LIMITED
CIN: U65910KL1987PTC004722
KUZHUVELIL BLDG, 2ND FLOOR POOKATTUPADY ROAD,
UNICHIRA, EDAPPALLY, ERNAKULAM - 682021
Email - vanchinadfinancepvtltd@gmail.com,
Website - www.vanchinad.com**

VANCHINAD FINANCE PRIVATE LIMITED

BOARD OF DIRECTORS

Dr. Griger Cherry Williams (Whole-time Director)

Shri. K. I. Varghese (Director)

Adv. K. Mathews Mathai (Independent Director)

CA Abraham Jacob (Independent Director)

CS Srividya Damodaran (Independent Director)

AUDITORS

M/s. Balan & Co.
Chartered Accountants
Bank Road, Aluva – 683101

&

Mr. Vinay N Pisharady,
Chartered Accountant
Aluva – 683105

REGISTERED OFFICE

VANCHINAD FINANCE PRIVATE LIMITED
CIN: U65910KL1987PTC004722
KUZHUVELIL BLDG, 2ND FLOOR
POOKATTUPADY ROAD, UNICHIRA,
EDAPPALLY, ERNAKULAM - 682021
Email – vanchinadfinancepvtltd@gmail.com,
Website – www.vanchinad.com

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VANCHINAD FINANCE PRIVATE LIMITED

Kuzhuvellil Bldg, 2nd Floor, Pookattupady Road, Unichira, Edappally, Ernakulam - 682021
CIN: U65910KL1987PTC004722
Email – vanchinadfinancepvtltd@gmail.com
Telephone No: 0484 - 4853300

DIRECTORS' REPORT

**To,
The Members**

Your Directors are pleased to present the 32nd Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended 31st March, 2019.

1. FINANCIAL RESULTS

(In Rupees)

Financial Highlights	For the Year Ending 31st March 2019	For the Year Ending 31st March 2018
Total Income	22,86,41,193	12,58,96,051
Total Expenditure (including Depreciation)	17,01,66,722	8,34,63,341
Profit/(Loss) before Tax	5,84,74,471	4,24,32,709
Tax (including deferred tax)	1,71,29,231	1,21,07,197
Profit/(Loss) after Tax	4,13,45,240	3,03,25,513
Surplus / (Deficit) carried to Balance Sheet	4,13,45,240	3,03,25,513
Earnings per share	1.88	2.08

2. PERFORMANCE REVIEW

During the financial year 2018-19, there was substantial increase in total income from Rs. 12,58,96,051/- of the previous FY to Rs. 22,86,41,193/-. The Company has incurred expenditure of Rs. 17,01,66,722/- as compared to the previous year expenditure of Rs. 8,34,63,341/-. Performance of the company ended with a profit of Rs. 4,13,45,240/- compared to previous year profit of Rs. 3,03,25,513/-.

3. DIVIDEND

In view of the need to conserve the funds for plough back, the Board is not recommending any Dividend on Equity Shares for the Financial Year.

4. CHANGE IN NATURE OF BUSINESS, IF ANY

During the financial year 2018-19, there was no change in the nature of business of the Company.

5. AMOUNTS TRANSFERRED TO RESERVES

The Company has transferred Rs. 82,69,048 /- out of the current year profit to the Statutory Reserve created u/s 45IC of RBI Act.

6. CHANGES IN SHARE CAPITAL DURING THE FINANCIAL YEAR, IF ANY

There was no change in the share capital of the company during the Financial Year 2018-19. As on date of this report, the Authorised share capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000 equity shares of Rs. 10/- each. The issued, subscribed and Paid up share capital of the Company as on the date of this report is Rs. 22,00,00,000/- (Rupees Twenty Two Crores only) consisting of 2,20,00,000 equity shares of Rs. 10/- each.

7. DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issued any equity shares with differential rights during the financial year.

8. DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS

The Company has not issued any employee stock options during the financial year.

9. DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES

The Company has not issued any sweat equity shares during the financial year.

10. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER BALANCE SHEET DATE TILL THE DATE OF THIS REPORT

Following are the material changes occurred after balance sheet date till the date of this report;

1. The company has opened 9 new microfinance Branches during the month May 2019.
2. Shri. C.C William Varghese and Smt. Mary Williams, promoters and directors of the company had resigned from the directorship with effect from 12.04.2019.

11. DIRECTORS

The Board of Directors of the Company is duly constituted and the present structure as on the date of this report is as follows:

Sl. No.	Name	Designation	Date of Appointment	DIN	Status-Resident / Non Resident	Category-Independent / Non Independent	Executive / Non Executive
1.	Griger Cherry Williams	Whole-time Director	27/09/2018	00145586	Resident	Non Independent	Executive
2.	Kocheril Ittoop Varghese	Additional Director	06/11/2018	08291568	Resident	Non Independent	Executive
3.	Abraham Jacob	Independent Director	27/08/2018	07944286	Resident	Independent	Non-Executive
4.	Kadapuram Mathews mathai	Independent Director	27/08/2018	08212342	Resident	Independent	Non-Executive
5.	Srividya Damodaran	Independent Director	27/08/2018	08212482	Resident	Independent	Non-Executive

In accordance with the Companies Act, 2013, Dr. Griger Cherry Williams (DIN - 00145586), Whole-time Director of the Company is liable to retire from office by rotation and is eligible for reappointment.

12. KEY MANAGERIAL PERSONNEL

The Company is covered under section 203 of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence, appointment of Key Managerial Personnel is mandatory. The Company has a Whole-time Director as on 31st March 2019. The company has appointed Ms. Naveena P Thampi, (Company Secretary of holding Company) as the Company Secretary of the company with effect from 01.04.2019. The company has also appointed CA Jayakumar G as CFO of the company. However he has resigned with effect from 29.06.2019.

13. THE DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Name of Director	Position	Date of Appointment	DIN
Griger Cherry Williams	Whole-time Director	27/09/2018	00145586
Kocheril Ittoop Varghese	Additional Director	06/11/2018	08291568
Abraham Jacob	Independent Director	27/08/2018	07944286
Kadapuram Mathews mathai	Independent Director	27/08/2018	08212342
Srividya Damodaran	Independent Director	27/08/2018	08212482

14. NUMBER OF BOARD MEETINGS HELD AND THE DATE ON WHICH HELD

The Board of Directors had held Fifteen Board meetings during the year. The dates on which the meetings were held are as follows:

04.04.2018	11.05.2018	31.05.2018
30.06.2018	20.07.2018	01.08.2018
27.08.2018	03.09.2018	01.10.2018
03.10.2018	06.11.2018	01.12.2018
21.01.2019	29.01.2019	29.03.2019

The maximum time gap between any two meetings was not more than 120 days.

15. ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS & LAST ANNUAL GENERAL MEETING:

Name of the Director	Attendance particulars			Shareholding in the Company (Face value of Rs. 10/- each) Equity Shares
	Board meetings	Last AGM (27.09.2018)	EGM (03.04.2018)	
C.C. William Varghese	15/15	Present	Present	1
Mary Williams	14/15	Present	Present	1
Griger Cherry Williams	06/07	Present	Present	-
Kocheril Ittoop Varghese	04/04	N.A	N.A	-
Abraham Jacob	06/08	Present	N.A	-
Kadapuram Mathews mathai	05/08	Present	N.A	-
Srividya Damodaran	03/08	Present	N.A	-

16. INDEPENDENT DIRECTORS & STATEMENT OF DECLARATION

The Company is covered under section 149 (4) of the Companies Act, 2013 and Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014. The company has appointed Mr. Abraham Jacob, Mr. Kadapuram Mathews mathai and Ms. Srividya Damodaran as the Independent Directors with effect from 27.08.2018. The company has also obtained declaration of Independence from them.

17. WOMEN DIRECTOR

The Company is not covered under rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and hence it is not mandatory to appoint women director in the Board. However company has women independent director.

18. NOMINATION AND REMUNERATION COMMITTEE & POLICY

The company is covered under section 178 (1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. During the FY 2018-19, the Company has reconstituted Nomination and Remuneration Committee in pursuance of the provisions of Revised Regulatory Framework NBFC(DNBR (PD) CC.No.002/03.10.001/2014-15) dated November 10th, 2014, with following members;

- | | | |
|---------------------------------|---|------------------------------------|
| 1. Ms. Sreevidya Damodaran | - | Chairperson (Independent Director) |
| 2. Mr. C.C. William Varghese | - | Member (Executive Director) |
| 3. Mr. Griger Cherry Williams | - | Member (Executive Director) |
| 4. Mr. Kadapuram Mathews mathai | - | Member (Independent Director) |
| 5. Mr. Abraham Jacob | - | Member (Independent Director) |

During the Financial Year, 2018-19, meeting of Nomination and Remuneration Committee was held on the following dates;

26.08.2018	06.11.2018	21.01.2019	29.03.2019
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19. DETAILS OF THE REMUNERATION PAID TO EXECUTIVE DIRECTOR FOR THE YEAR

The aggregate of salary and perquisites paid for the year ended 31st March, 2019 to the Executive Directors of the Company were as follows:-

1. Mr. C.C. William Varghese (Whole-time Director) - Rs. 30,00,000/-
2. Mr. Griger Cherry Williams (Whole-time Director) - Rs. 3,00,000/-
3. Mr. Kocheril Ittoop Varghese (Additional Director)- Rs. 5,00,000/-

20. REMUNERATION PAID TO NON EXECUTIVE DIRECTORS

No Remuneration was paid to Non-Executive Directors during the reporting period.

21. AUDIT COMMITTEE

The Company is covered under section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. During the FY 2018-19, the Company has reconstituted Audit Committee in pursuance to the provisions of Revised Regulatory Framework NBFC(DNBR (PD) CC.No.002/03.10.001/2014-15) dated November 10th, 2014 with the following members;

- | | | |
|---------------------------------|---|------------------------------------|
| 1. Mr. Abraham Jacob | - | Chairperson (Independent Director) |
| 2. Mr. C.C. William Varghese | - | Member (Executive Director) |
| 3. Mr. Griger Cherry Williams | - | Member (Executive Director) |
| 4. Mr. Kadapuram Mathews mathai | - | Member (Independent Director) |
| 5. Ms. Sreevidya Damodaran | - | Member (Independent Director) |

During the Financial Year, 2018-19, meeting of Audit Committee was held on the following dates;

1. 26.08.2018
2. 06.11.2018
3. 21.01.2019
4. 29.03.2019

22. VIGIL MECHANISM

The company is not required to constitute a vigil mechanism pursuant to the provision of section 177 (9) of the companies Act, 2013 and Rules framed thereunder.

23. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company is not covered under section 178 (5) of the Companies Act, 2013 and hence not required to constitute Stakeholders Relationship Committee.

24. STATUTORY AUDITOR

At the 27th AGM held on 26.09.2014, M/s. Balan & Co. (FRN: 000340S), Chartered Accountants, Bank Road, Aluva - 683101, Kerala was appointed as the Statutory Auditors of the Company to hold office for a period of five years commencing from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting. Their period office will complete in the 32nd Annual General Meeting. The Board has proposed the appointment of Mr. Vinay N Pisharady, Chartered Accountant (Membership No:233743), Pothiyil Pisharam, Marampally P.O., Aluva Via, Ernakulam, Kerala – 683105, as Statutory Auditor of the Company for a period of 5 years from the conclusion of the 32nd Annual General Meeting till the conclusion of the 37^h Annual General Meeting, in place of the retiring auditors M/s. Balan & Co. (FRN: 000340S), Chartered Accountants, Bank Road, Aluva – 683101.

The Company has received a letter from Mr. Vinay N Pisharady, Chartered Accountant (Membership No:233743), Pothiyil Pisharam, Marampally P.O., Aluva Via, Ernakulam, Kerala – 683105 to the effect that his appointment as Auditor, if made, would be within the limits under Section 141 of the Companies Act, 2013.

25. AUDITORS REPORT

The Report of the Auditors of the Company and notes to accounts are self-explanatory.

26. COST AUDITORS

The Company is not required to appoint Cost Auditor under section 148 of the Companies Act, 2013.

27. MAINTENANCE OF COST RECORDS

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company.

28. SECRETARIAL AUDIT REPORT

The Company is not covered under section 204 of the Companies Act, 2013 and hence not required to annex Secretarial Audit Report.

29. DEPOSITS AND DEBENTURES

The Company has not accepted any deposits from public during the year. The details as required under Rule 8(5) of the Companies (Accounts) Rules, 2014 is provided herewith;

The Company has allotted Non-convertible Debentures during the Financial Year 2018-19 and details of which are as follows;

Date of Allotment	No. of Debentures	Total amount of Debentures (in Rs.)
31.05.2018	6117	61,17,000
31.05.2018	7500	75,00,000
01.10.2018	27875	2,78,75,000
01.12.2018	50875	5,08,75,000
29.01.2019	33162	3,31,62,000
29.03.2019	81710	8,17,10,000
TOTAL	207239	20,72,39,000

Total outstanding debentures as on 31.03.2019 was Rs. 40,89,86,000/- and total outstanding subordinated debt as on 31.03.2019 was Rs. 12,44,76,000/-.

30. LOANS, GUARANTEES AND INVESTMENTS

The Company has neither granted any loans, secured or unsecured to companies, firms or other parties nor given guarantees or made investments within the meaning of Section 186 of the Companies Act, 2013 and rules made there under.

31. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

During the year, no Companies had become Subsidiaries, Joint ventures and Associated Companies. This information may be considered as per Rule 8(5) of the Companies (Accounts) Rules, 2014. Presently our Company is the wholly owned subsidiary of S M L FINANCE LIMITED.

32. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY TRANSACTIONS

The Company had entered into related party transactions during the financial year 2016-17. As per Section 134 (3) (h) of the Companies Act, 2013, the particulars of Contracts or Arrangements with related parties within the meaning of Section 188 is provided in the prescribed Form AOC-2 and forms part of this Report as **Annexure I**.

33. CORPORATE SOCIAL RESPONSIBILITY

The Company was not covered under section 135 of the Companies Act, 2013, during the FY 2018-19, hence not required to constitute Corporate Social Responsibility Committee during the FY 2018-19. However the company's profit during the FY 2018-19 exceeded the limit specified under section 135 of the Act, the company is required to constitute CSR Committee during the FY 2019-20 and spent 2% of average net profit of the last 3 Financial Years.

34. EXTRACT OF ANNUAL RETURN

As required under Section 134(3A) of the Companies Act 2013, an extract of the Annual Return under Section 92 in the prescribed form MGT 9, is set out as an **Annexure II** attached hereto and forms part of this report.

35. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has constituted Internal Complaints Committee and during the Financial Year, there were no cases reported or filed regarding sexual harassment of women at workplace. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

36. FRAUD REPORTING

During the Financial Year, there were no cases regarding fraud have been reported to the Board/Central Government.

37. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

No order has been passed by the Regulators/Courts/Tribunal, which affects the going concern status or Company's operations.

38. VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT

There was no voluntary revision of Financial Statements or Board's Report in respect of preceding three financial years.

39. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate internal control and process on place with respective Financial Statements, which provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial Statements. This Controls and processes are driven through various policies, procedures and certification. The processes and controls are reviewed periodically. The Company has a mechanism of testing the controls at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.

Report on the Internal Financial Control with Reference to the Financial Statements included in the Auditor's Report.

40. FORMAL ANNUAL EVALUATION

The Company is not covered under section 134 (3) (p) of the Companies Act, 2013 and Rule 8(4) of the Companies (Accounts) Rules, 2014 and hence the statement regarding manner adopted for formal annual evaluation is not mandatory.

41. RISK MANAGEMENT

The Companies risk management framework and policy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continues monitoring. The policies and procedures established for this purpose are continuously reviewed. The business activities are undertaken within this framework.

The framework reviews the level and direction of major risk pertaining to credit, market, liquidity, operational, compliance and management.

42. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your company's operations do not involve large-scale use of energy. The disclosure of particulars under this head is not applicable as your Company operates in the service sector. Although your company is not large-scale energy user, it acknowledges, the concept conservation of energy. There were no foreign exchange earnings or outgo for the Company during the financial year.

43. UNSECURED LOAN FROM DIRECTORS

During the Financial year 2018-19, the Company had not accepted any unsecured loans from its directors.

44. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance to the provisions of Section 134 (5) of the Companies Act, 2013 your Directors wish to confirm 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 this Act 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 system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

45. SECRETARIAL STANDARDS

Your directors wish to confirm that the applicable secretarial standards had been complied by the Company.

46. APPRECIATION

We take this opportunity to thank all regulators including the Reserve Bank of India, Registrar of Companies, Income Tax and GST authorities etc for their valuable guidelines and advises for the corporate compliance, Social responsibility and growth of the company. We also thank all the employees for their contribution to the growth and success of your Company. We would also like to thank bankers, stakeholders and business associates for their extended support during the year.

For and on behalf of the Board of
VANCHINAD FINANCE PRIVATE LIMITED

Griger Cherry Williams
Whole-time Director
(DIN: 00145586,
Address: Chungath House, Guruvayur Road
P.O., Kunnamkulam Thrissur, Kerala - 680503)

Kocheril Ittoop Varghese
Additional Director
(DIN: 08291568,
Address: Flat No. West 127 Federal Park,
Vennala, Ernakulam, Kerala - 682028)

Place: Ernakulam
Date: 10.07.2019

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

Details of material contracts or arrangements or transactions at arm's length basis

Sl. No: 1	Particulars	Details
a)	Name of the related party & nature of relationship	S M L FINANCE LIMITED (Holding Company)
b)	Nature of contracts/arrangements/transaction	Availing of Labour service
c)	Duration of the contracts/arrangements/transaction	2018-19
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs.1,50,00,000/-
e)	Date of approval by the Board	04.04.2018
f)	Amount paid as advances, if any	Nil

For and on behalf of the Board of
VANCHINAD FINANCE PRIVATE LIMITED

Griger Cherry Williams
Whole-time Director
(DIN: 00145586,
Address: Chungath House, Guruvayur Road
P.O., Kunnankulam Thrissur, Kerala - 680503)

Kocheril Ittoop Varghese
Additional Director
(DIN: 08291568,
Address: Flat No. West 127 Federal Park,
Vennala, Ernakulam, Kerala - 682028)

Place: Ernakulam
Date: 10.07.2019

Annexure II

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2019 of
VANCHINAD FINANCE PRIVATE LIMITED

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Name of the Company	VANCHINAD FINANCE PRIVATE LIMITED
CIN	U65910KL1987PTC004722
Date of Registration	13/03/1987
Category of the company	Deemed Public Company (Company limited by Shares)
Address of the registered office and contact details	Kuzhuvellil Bldg, 2nd Floor Pookattupady Road, Unichira, Edappally, Ernakulam, Kerala - 682021 Tel: 0484 - 4853300 E-mail: vanchinadfinancepvtltd@gmail.com
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	S.K.D.C. Consultants Limited PB No. 2016, "Kanapathy Towers", 3rd Floor, 1391/A1, Sathy Road, Ganapathy Post, Coimbatore – 641006 TN, India Phone: +91 422 4958995, 2539835/ 836 E-mail: info@skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	financial Activities (Micro Finance)	65999	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: [No. of Companies for which information is being filled]

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	Percentage Holding	Applicable section
1	S M L FINANCE LIMITED	U65910KL1996PLC010648	Holding	100	2(87)(ii)

IV. SHARE HOLDING PATTERN

(Equity share capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	

A. Promoters									
(1) Indian									
a) Individual/HUF	0	10000	10000	0.05	0	2	2	0.00	(0.05)
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	21990000	21990000	99.95	0	21999998	21999998	100	0.05
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	22000000	22000000	100	0	22000000	22000000	100	0
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Others-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A) (1)+(A) (2)	0	22000000	22000000	100	0	22000000	22000000	100	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0

(specify)									
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
C) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	22000000	22000000	100	0	22000000	22000000	100	0

ii) Shareholding of Promoters as on 31.03.2019

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	C.C.William Varghese	5000	0.025	0	1 (Beneficial Holder: S M L Finance Limited)	0	0	(0.025)
2	Mary Williams	5000	0.025	0	1 (Beneficial Holder: S M L Finance Limited)	0	0	(0.025)
3	S M L Finance Limited	21990000	99.95	0	21999998	100	0	0.025

iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in total Promoters shareholding)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	22000000	100	22000000	100
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): There is no change in total Promoters shareholding. However there is a transfer on 29.01.2019 between the promoters and the details are as follows: 1. Transfer of 4999 shares from C.C. William Varghese to S M L Finance Ltd. 2. Transfer of 4999 shares from Mary Williams to S M L Finance Ltd	0	0.00	22000000	100
At the end of the year	22000000	100	22000000	100

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Nil

NIL				
	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0.00	0	0.00
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0.00	0	0.00
At the end of the year	0	0.00	0	0.00

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Name of the KMP and Directors	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	C.C.William Varghese	At the beginning of the year	5000	0.025	5000	0.025
		Changes during the year: Transfer to S M L Finance Ltd	4999	(0.025)	1	0.00
		At the end of the year	1	0.00	1	0.00
2	Mary Williams	At the beginning of the year	5000	0.025	5000	0.025
		Changes during the year: Transfer to S M L Finance Ltd	4999	(0.025)	1	0.00
		At the end of the year	1	0.00	1	0.00
3	Griger Cherry Williams	At the beginning of the year	0	0	0	0
		Changes during the year:	0	0	0	0
		At the end of the year	0	0	0	0
4	Kocheril Ittoop Varghese	At the beginning of the year	0	0	0	0
		Changes during the year:	0	0	0	0
		At the end of the year	0	0	0	0

5	Abraham Jacob	At the beginning of the year	0	0	0	0
		Changes during the year:	0	0	0	0
		At the end of the year	0	0	0	0
6	Kadapuram Mathews mathai	At the beginning of the year	0	0	0	0
		Changes during the year:	0	0	0	0
		At the end of the year	0	0	0	0
7	Sreevidya Damodaran	At the beginning of the year	0	0	0	0
		Changes during the year:	0	0	0	0
		At the end of the year	0	0	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment
(In Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	38,55,51,995	13,27,16,000	0	51,82,67,995
ii) Interest due but not paid	0	18,88,774	0	18,88,774
iii) Interest accrued but not due	7,08,840	4,72,626	0	11,81,466
Total (i+ii+iii)	38,62,60,835	13,50,77,400	0	52,13,38,235
Change in Indebtedness during the financial year				
* Addition	22,27,06,057	2,33,87,296	0	24,60,93,353
* Reduction	32,00,000	1,94,55,048	0	2,26,55,048
Net Change	21,95,06,057	39,32,248	0	22,34,38,305
Indebtedness at the end of the financial year				
i) Principal Amount	59,45,02,563	13,44,76,000	0	72,89,78,563
ii) Interest due but not paid	43,65,914	19,23,452	0	62,89,366
iii) Interest accrued but not due	68,98,415	26,10,196	0	95,08,611
Total (i+ii+iii)	60,57,66,892	13,90,09,648		74,47,76,540

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of Managing Director/ Whole time Directors/ Manager		Total Amount
		C.C. William Varghese (WTD)	Griger Cherry Williams (WTD)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,00,000	3,00,000	33,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity			-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	30,00,000	3,00,000	33,00,000
	Ceiling as per the Act	30,73,724	29,38,724	61,77,447

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
		Kocheril Ittoop Varghese (Executive Director)	
1	<u>Independent Directors</u>		
	Fee for attending board / committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (1)	-	-
2	<u>Other Directors</u>		
	Fee for attending board / committee meetings	-	-
	Commission	-	-
	Others, please specify (Salary)	5,00,000	5,00,000

	Total (2)	5,00,000	5,00,000
	Total (B)=(1+2)	5,00,000	5,00,000
	Total Managerial Remuneration	5,00,000	5,00,000
	Ceiling as per the Act	5,89,745	5,89,745
	Overall Ceiling as per the Act	68,50,192	68,50,192

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD: NIL

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		Name of Key Managerial Personnel
1	Gross salary	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-
	Salary and allowances for the F.Y. 2018-19- (A)	-
	Bonus Paid for the F.Y. 2018-19- - (B)	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	Perquisites- (C)	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	
4	Commission - as % of profit - others, specify...	-
5	Others, please specify	-
	Total (A)+(B)+(C)	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment			None		
Compounding			None		
B. DIRECTORS					

Penalty			None		
Punishment			None		
Compounding			None		
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment			None		
Compounding			None		

For and on behalf of the Board of
VANCHINAD FINANCE PRIVATE LIMITED

Griger Cherry Williams
Whole-time Director
(DIN: 00145586,
Address: Chungath House, Guruvayur Road
P.O., Kunnankulam Thrissur, Kerala - 680503)

Kocheril Ittoop Varghese
Additional Director
(DIN: 08291568,
Address: Flat No. West 127 Federal Park,
Vennala, Ernakulam, Kerala - 682028)

Place: Ernakulam
Date: 10.07.2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Vanchinad Finance Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of M/s Vanchinad Finance Private Limited, Ernakulam ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss and statement of cash flows 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 standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, (the Statement of Changes in Equity) and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
** Except AS-15 Employee Benefit*
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Balan & Co.**,
Chartered Accountants
(FRN 000340S)



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

Aluva
10.07.2019

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2019:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) There are no immovable properties held in the name of the company.
- 2) In our opinion and according to the information and explanations given to us, the nature of the Company's business is such that it is not required to hold any inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company
- 3) 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, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any public deposit from the public within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under where ever applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Duty of Excise and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanation given to us, there are no dues of Income Tax, Goods and Service Tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions or debenture holders.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, there have been certain instances of fraud on the Company where loan related misappropriations / cash embezzlements have occurred for an amount aggregating to 4.57 Lacs. The Company has taken proper actions against parties for recoveries of these amounts.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.


13) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has complied with the requirements of section 42 of the Companies Act, 2013 and the amount raised by preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review have been used for the purposes for which the funds were raised.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) According to the Information and explanation given to us and based on our examination of the records of the Company, the Company has obtained the required registration under section 45-IA of the Reserve Bank of India Act, 1934

For **Balan & Co.**,
Chartered Accountants
(FRN 000340S)



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

Aluva
10.07.2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Vanchinad Finance Private Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Vanchinad Finance Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

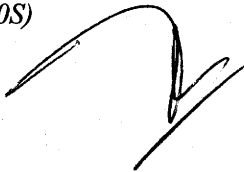
Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Balan & Co.**,
Chartered Accountants
(FRN 000340S)



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

Aluva
10.07.2019

Balance Sheet as at 31st March, 2019

Particulars	Note No.	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	22,00,00,000	22,00,00,000
(b) Reserves and Surplus	3	7,15,05,552	3,01,60,313
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	53,43,09,943	30,96,63,000
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long term provisions	5	43,50,637	31,05,988
(3) Current Liabilities			
(a) Short-term borrowings	6	19,45,66,563	20,86,04,995
(b) Trade payables		-	-
(c) Other current liabilities	7	2,66,47,144	67,25,074
(d) Short-term provisions	8	-	-
Total		1,05,13,79,839	77,82,59,370
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Property, Plant & Equipments	9	92,06,854	83,85,096
(ii) Intangible assets	9	3,90,743	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)	10	6,91,955	8,32,296
(d) Long-term loans and advances_ Financing Activities	11	75,31,46,032	39,73,34,799
(e) Long-term loans and advances	12	54,06,041	47,36,041
(f) Other non-current assets		-	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	13	13,41,742	8,60,202
(e) Short-term loans and advances_ Financing Activities	11	27,12,87,578	36,36,50,774
(f) Short-term loans and advances	14	57,08,990	22,68,295
(g) Other current assets	15	41,99,903	1,91,867
Total		1,05,13,79,839	77,82,59,370

Notes are an integral part of the financial statements

As per our report of even date attached.

For Balan & Co.,
Chartered Accountants
(FRN 000340S)



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

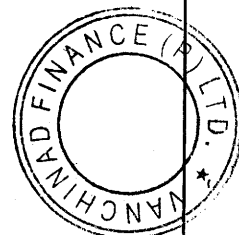
Place: Aluva
Date : 10.07.2019

For and on behalf of the Board

Griger Cherry Williams
(Whole time Director)
(DIN : 00145586)

Kocheril K. Varghese
(Additional Director)
(DIN : 08291568)

Place: Ernakulam
Date : 10.07.2019



Profit and Loss statement for the year ended 31st March, 2019

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
REVENUE			
Revenue from operations	16	220,218,680	124,756,829
Other Income	17	8,422,513	1,139,222
Total Revenue		228,641,193	125,896,051
EXPENSES			
Employee benefit expense	18	32,723,083	21,051,858
Financial Costs	19	76,286,487	41,261,662
Depreciation and amortization expense	9	2,932,454	1,261,055
Other expenses	20	58,224,698	19,888,766
Total Expenses		170,166,722	83,463,341
Profit before tax		58,474,471	42,432,710
Tax expense:			
Current tax		16,988,890	12,851,127
Deferred tax		140,341	(743,930)
Net Tax Expense		17,129,231	12,107,197
Profit/(Loss) from the period from continuing operations		41,345,240	30,325,513
Earning per equity share:			
Basic & Diluted	21	1.88	2.08
Notes are an integral part of the financial statements			

As per our report of even date attached.

For Balan & Co.,
Chartered Accountants
(FRN 000340S)



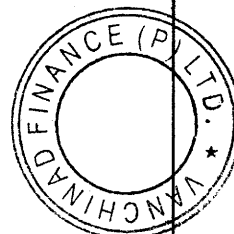
Vishnu Prasad B. Menon FCA
Partner (M. No. 207626)

Place: Aluva
Date : 10.07.2019

For and on behalf of the Board

Griger Cherry Williams
(Whole time Director)
(DIN : 00145586)

Kocheril Ittoop Varghese
(Additional Director)
(DIN : 08291568)



Place: Ernakulam
Date : 10.07.2019

Cash Flow Statement for the year ended 31st March 2019

In terms of AS - 3 on Cash Flow Statement under Indirect Method

	2018-19	2017-18
	Rs	Rs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit Before Taxation	58,474,471	42,432,710
<i>Adjustments for:</i>		
Provision for depreciation	2,932,454	1,261,055
Interest on borrowings	76,286,487	41,261,662
Interest income	-	-
Profit on sale of fixed assets	-	-
Provision for standard assets & NPA	1,244,648	2,272,930
	80,463,590	44,795,647
Operating profit before working capital changes	138,938,060	87,228,356
(Increase)/Decrease in Loans & Advances	(670,000)	(2,549,927)
(Increase)/Decrease in Loans & Advances-Financing activities	(263,448,037)	(625,686,593)
(Increase)/Decrease in Short term Loans & Advances	(763,864)	1,175,035
(Increase)/Decrease in Current Assets	(4,008,036)	(127,839)
Increase/(Decrease) in Sundry Creditors & Other liabilities	19,922,070	3,981,396
	(248,967,867)	(623,207,928)
Cash from operations	(110,029,807)	(535,979,572)
Income tax paid	(19,665,721)	(15,136,470)
Net cash flow from / (used in) operating activities (A)	(129,695,528)	(551,116,042)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(4,144,955)	(8,700,687)
Proceeds from sale of fixed assets	-	-
Interest income	-	-
Net cash flow from / (used in) investing activities (B)	(4,144,955)	(8,700,687)
C. Cash flow from Financing activities		
Proceeds from issuance of equity shares	-	121,621,000
Repayment of short term borrowings	(14,038,433)	163,604,995
Proceeds from long-term borrowings	224,646,943	309,663,000
Interest on borrowings	(76,286,487)	(41,261,662)
Net cash flow from / (used in) financing activities (C)	134,322,023	553,627,333
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	481,540	(6,189,396)
Cash and cash equivalents at the beginning of the year	860,202	7,049,598
Cash and cash equivalents at the end of the year	1,341,743	860,202

As per our report of even date attached.

For Balan & Co.,
Chartered Accountants
(FRN 000340S)



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

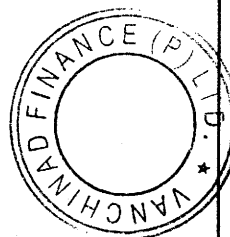
Place: Aluva
Date : 10.07.2019

For and on behalf of the Board

Griger Cherry Williams
(Whole time Director)
(DIN : 00145586)

Kocheril Athoop Varghese
(Additional Director)
(DIN : 08291568)

Place: Ernakulam
Date : 10.07.2019



Notes on Financial Statements for the Year ended 31st March, 2019

2 SHARE CAPITAL

Particulars	March 31, 2019	March 31, 2018
Authorised Capital		
2,50,00,000 Equity Shares of Rs. 10/- each (Previous year - 2,50,00,000 Equity Shares of Rs. 10/- each)	250,000,000	250,000,000
	250,000,000	250,000,000
Issued, Subscribed and Paidup Capital		
2,20,00,000 Equity Shares of Rs.10/- each (Previous year, No. of shares- 22,00,000)	220,000,000	220,000,000
TOTAL	220,000,000	220,000,000

ii. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 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.

iii. The reconciliation of the number of shares outstanding is set out below :

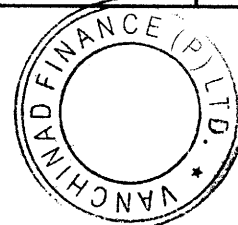
Particulars	March 31, 2019		March 31, 2018	
	No. of shares	Value	No. of shares	Value
No. of equity shares at the beginning of the year	22,000,000	220,000,000	9,837,900	98,379,000
Add: Fresh Issue	-	-	12,162,100	121,621,000
Less: Shares brought back	-	-	-	-
No. of equity shares at the end of the year	22,000,000	220,000,000	22,000,000	220,000,000

iv. The details of Shareholders holding more than 5% shares :-

Name of the Shareholder	March 31, 2019		March 31, 2018	
	No. of Shares	%	No. of Shares	%
SML Finance Limited	21,999,998	99.99%	21,990,000	99.95%

3 RESERVES & SURPLUS

Particulars	March 31, 2019	March 31, 2018
Statutory Reserve - u/s 45IC of RBI Act.		
As per last balance sheet	6,141,247	76,144
Add: Current year's transfer	8,269,048	6,065,103
Closing Balance	14,410,294	6,141,247
Profit & Loss Account:		
As per last balance sheet	24,019,066	(241,344)
Add: Current years profit	41,345,240	30,325,513
	65,364,306	30,084,169
Less: Appropriations		
Transfer to General Reserve	-	-
Transfer to Reserve u/s 45 IC of RBI Act, 1934	8,269,048	6,065,103
Closing Balance	57,095,258	24,019,066
TOTAL	71,505,552	30,160,313



Notes on Financial Statements for the Year ended 31st March, 2019

4 LONG TERM BORROWINGS

Particulars	March 31, 2019	March 31, 2018
(a) Debentures		
SECURED		
Non Convertible Debentures	398,986,000	194,947,000
Vehicle Loan from Banks	847,943	-
UNSECURED		
Subordinated Debts- Non Current	124,476,000	104,716,000
Non Convertible Debentures	10,000,000	10,000,000
TOTAL	534,309,943	309,663,000

Privately Placed Non-Convertible Debentures are secured by pari passu charge on the specific immovable property, specified receivables arising out of loan, lease, hire purchase transactions and to the extent of shortfall in asset cover by a pari passu charge on the current assets of the Company.

Debenture is secured by receivables against Micro Finance Loans

Series Wise

Series Name	Date of allotment	Date of maturity	No of units	Amount
VFPL Debenture series1	31.03.2018	31.03.2028	41,730	41,730,000
VFPL Debenture series2	31.03.2018	31.03.2028	47,530	47,530,000
VFPL Debenture series3	31.03.2018	31.03.2028	10,000	10,000,000
VFPL Debenture series4	31.03.2018	31.03.2028	40,151	40,151,000
VFPL Debenture series5	31.03.2018	31.03.2028	32,281	32,281,000
VFPL Debenture series6	31.03.2018	31.03.2028	30,055	30,055,000
VFPL Debenture series7	31.05.2018	31.05.2028	6,117	6,117,000
VFPL Debenture series8	31.05.2018	31.05.2028	7,500	7,500,000
VFPL Debenture series9	01.10.2018	01.10.2028	27,875	27,875,000
VFPL Debenture series10	01.12.2018	01.12.2028	50,875	50,875,000
VFPL Debenture series11	29.01.2019	29.01.2029	33,162	33,162,000
VFPL Debenture series12	29.03.2019	29.03.2029	81,710	81,710,000
TOTAL			408,986	408,986,000.00

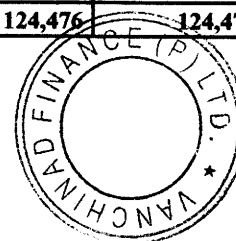
Coupon Rate wise

Coupon Rate	No of Units	(a) Non-	(b) Current	Total
Coupon Rate- 12	27,875	27,875,000	-	27,875,000
Coupon Rate- 12.50	316,081	316,081,000	-	316,081,000
Coupon Rate- 13	55,030	55,030,000	-	55,030,000
Coupon Rate- 14	10,000	10,000,000	-	10,000,000
TOTAL	408,986	408,986,000	-	408,986,000

Subordinated debts

Series Wise

Series Name	Maturity Period	No of units	Amount
Sub Ordinate Debts-Cumulative	2018-2023	104,716	104,716,000
Sub Ordinate Debts-Cumulative	2019-2024	19,760	19,760,000
TOTAL	-	124,476	124,476,000



Notes on Financial Statements for the Year ended 31st March, 2019

Maturity wise

From the Balance Sheet date	(a) Non- current	(b) Current maturity	Total
Repayable on maturity :			
Maturing after 5 years			
Maturing between 3 years to 5 years	124,476,000	-	124,476,000
Maturing between 1 year to 3 years	-	-	-
Maturing within 1 year	-	-	-
Matured during the year	-	-	-
TOTAL	124,476,000	-	124,476,000

5 LONG TERM PROVISIONS

Particulars	March 31, 2019	March 31, 2018
(a) Provision others :		
Contingent Provision against Standard Assets	4,087,197	3,043,581
Provision for Non Performing Assets	263,440	62,407
TOTAL	4,350,637	3,105,988

6 SHORT TERM BORROWINGS

Particulars	March 31, 2019	March 31, 2018
Loans repayable on demand		
From Banks		
Cash credit (secured) [refer note (i) below]	194,566,563	190,604,995
(b) Deposits		
Unsecured		
Inter-corporate deposit	-	18,000,000
TOTAL	194,566,563	208,604,995

1 Nature of Security

(a) Loans repayable on demand from Banks

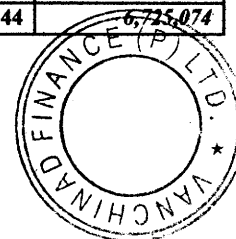
Particulars	Primary	Collateral	Guarantors
State Bank of India	First Charge by way of hypothecation of Standard book debts / standard loan receivables current assets etc, present and future of the branches of the company mentioned under item 1(a). Second charge by way of hypothecation of remaining book debts/standard loan receivables,current assets etc present and future othe company otherthan the amount mentioned at branches furnished under item 1(a)	EM of Commercial Building and plot	Personal guarantor William Verghese C C Mary Williams Griger Cherry williams Corporate Guarantor M/S SML Finance Ltd

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

Item 1(a) :Kollam,kottarakara,Chavara,Paripally,Ayur,Peerumed,Vaikon,Vandithavalam,Oachira,Adoor Branches of Vanchinad Finance Pvt Ltd

7 OTHER CURRENT LIABILITIES

Particulars	March 31, 2019	March 31, 2018
(a) Current maturities of long-term debt	102,057	-
(b) Interest Accrued but not due on borrowings	9,508,611	1,181,466
(c) Interest Accrued and due on borrowings	6,289,366	1,888,774
(d) Other payables :		
(i) Statutory remittances	3,223,217	1,156,409
(ii) Expense payable	7,523,893	2,498,425
TOTAL	26,647,144	6,725,074



Notes on Financial Statements for the Year ended 31st March, 2019

8 SHORT TERM PROVISIONS

Particulars	March 31, 2019	March 31, 2018
(a) Provision for employee benefits:		
(b) Provision Others : Provision for Income tax ((Refer note(i) below)	-	-
TOTAL	-	-

(i) Net of Advance Tax Rs. 1,95,00,000/- and TDS Rs. 1,65,724/-, PY Advance Tax Rs.1,47,23,113/- & TDS Rs.19,943/-

10 DEFERRED TAX (LIABILITY)/ ASSET

Particulars	March 31, 2019	March 31, 2018
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	368,346	32,504
Tax effect of items constituting deferred tax assets		
Others	323,609	799,792
TOTAL	691,955	832,296

11 LOANS AND ADVANCES- Financing Activities

Particulars	March 31, 2019	March 31, 2018
Non-Current		
Secured, considered good		
Vehicle Loan	-	-
Current		
Secured, considered good		
Vehicle Loan	-	218,051
Non-Current		
Unsecured , Considered goods		
Other Loans (Micro Finance Loans)	751,951,032	397,116,748
Business Loans	1,195,000	-
Current		
Unsecured , Considered goods		
Other Loans (Micro Finance Loans)	261,529,211	363,650,774
Business Loans	9,758,367	-
TOTAL	1,024,433,610	760,985,573

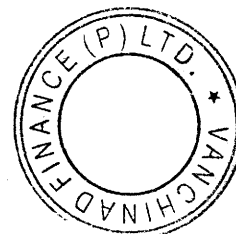
* The loans and advances includes Non-performing Assets Rs. 26,34,398/-

12 LONG TERM LOANS AND ADVANCES

Particulars	March 31, 2019	March 31, 2018
(a) Security deposits		
Unsecured, considered good	5,406,041	4,736,041
TOTAL	5,406,041	4,736,041

13 CASH AND CASH EQUIVALENTS

Particulars	March 31, 2019	March 31, 2018
(a) Cash in Hand	116,181	613,946
(b) Balance with Banks		
(i) In current accounts	1,225,561	246,256
TOTAL	1,341,742	860,202



Notes on Financial Statements for the Year ended 31st March, 2019

14 SHORT TERM LOANS AND ADVANCES

Particulars	March 31, 2019	March 31, 2018
(a) Unsecured, considered good		
Loans and advances to related parties	-	-
(b) Other Loans and Advance		
(ii) Balances with government authorities		
Unsecured, considered good		
Income Tax receivable	4,571,604	1,894,773
GST Receivable	1,057,067	-
(ii) Others (Unsecured, considered good)	80,319	363,168
(iii) Loans and advances to employees	-	10,354
TOTAL	5,708,990	2,268,295

15 OTHER CURRENT ASSETS

Particulars	March 31, 2019	March 31, 2018
(a) Accruals		
Interest Accrued	970,963	97,378
Insurance claim receivable	226,424	94,489
(b) Other Receivables		
Receivable from SML Finance Ltd	1,200,000	-
Advertisement Income Receivable	1,345,200	-
Amount Receivable from Terminated Employee	457,316	-
TOTAL	4,199,903	191,867

16 REVENUE FROM OPERATIONS

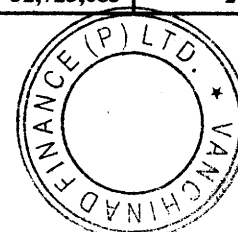
Particulars	March 31, 2019	March 31, 2018
Income from Financing Activities	209,687,044	112,696,069
Processing fee	10,531,636	12,060,760
TOTAL	220,218,680	124,756,829

17 OTHER INCOME

Particulars	March 31, 2019	March 31, 2018
(a) Interest Income		
Interest on Deposits	-	-
(b) Other income		
Advertisement	8,327,338	1,139,222
Sundry Amounts Written off	95,175	-
TOTAL	8,422,513	1,139,222

18 EMPLOYEE BENEFIT EXPENSES

Particulars	March 31, 2019	March 31, 2018
Salary, Bonus and Allowances	29,902,103	18,794,923
Contributions to provident and other funds	2,820,980	2,256,935
TOTAL	32,723,083	21,051,858



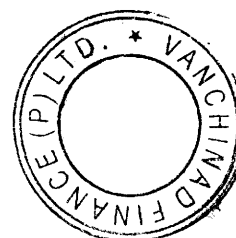
Notes on Financial Statements for the Year ended 31st March, 2019**Details of Employee Benefits : Disclosures required under Accounting Standard 15 – Employee Benefits (Revised 2005)****(a) Defined Contribution Plans :**

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

Particulars	March 31, 2019	March 31, 2018
Employers Contribution to Provident Fund	1,131,156	1,302,087
Employers Contribution to Employee's State Insurance	1,433,348	786,857

(b) Defined benefit Plans - Gratuity:

Nil



Notes on Financial Statements for the Year ended 31st March, 2019

19 FINANCIAL COSTS

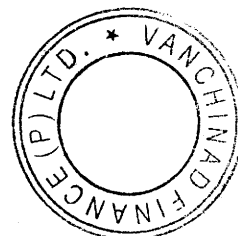
Particulars	March 31, 2019	March 31, 2018
(a) Interest expenses on Borrowings	76,286,487	41,261,662
TOTAL	76,286,487	41,261,662

20 OTHER EXPENSES

Particulars	March 31, 2019	March 31, 2018
Advertisement	517,793	85,943
Audit fees	213,500	150,000
Bank Charges	2,215,127	3,011,229
Cleaning charges	684,333	230,447
Discount allowed	-	20,880
Directors remuneration	3,800,000	2,500,000
Electricity and Water charges	519,030	211,663
Miscellaneous expenses	-	8,207
Newspaper and Periodicals	2,695	-
Postage	271,213	124,978
Printing & Stationery	830,570	459,553
Rent	6,475,144	3,565,037
Telephone and Internet charges	688,109	406,810
Travelling expenses	1,469,056	1,012,969
Repairs & Maintenance	603,808	201,679
Rates & Taxes	57,778	9,940
Subscription charges	1,116,845	460,438
ROC Filing fee	159,600	1,179,428
Professional and Legal fees	1,116,422	2,057,316
Debenture Trusteeship Fee	186,000	-
Vehicle Insurance and Expenses	43,886	-
Donation	48,000	-
PF Damages	8,745	41,462
Meeting & Training Expenses	12,297,573	263,062
Branch Opening Expenses	478,000	-
Bad Debts written off	48,975	227,026
Provision for Standard assets	1,043,616	2,573,746
Provision for NPA	201,033	(300,817)
GST Interest	1,363	-
Office Expenses	690,176	550,183
TDS Late fees	-	11,961
Incentives	7,437,252	825,628
Business Consultancy	15,000,000	-
Round Off	(944)	-
TOTAL	58,224,698	19,888,766

20.1 Payment to Auditor as:

Particulars	March 31, 2019	March 31, 2018
As auditors - statutory audit	200,000	150,000
For other services	-	-
TOTAL	200,000	150,000



Notes on Financial Statements for the Year ended 31st March, 2019

21 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.

Particulars	March 31, 2019	March 31, 2018
Profit after tax (in Rs in Lakhs.)	41,345,240	30,314,641
Weighted average number of shares used as denominator for calculating basic and diluted	22,000,000	14,599,882
Nominal value of shares (Rs.)	10	10
(Rs.)	1.88	2.08

22 TRANSACTIONS

Details of related parties :

Description of relationship	Names of related parties
a) Holding company	SML Finance Limited
b) Key Management Personnel	Griger Cherry Williams C.C. William Verghese

The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the Auditors.

Details of Related Party Transactions :

Particulars	Key Management Personnel	Relatives of KMP	Holding	Associates/Enterprises owned or significantly influenced by KMP or their relatives	Total
Directors Remuneration	3,300,000				3,300,000
Business Consultancy Services			15,000,000		15,000,000
Repayment of Inter-corporate deposit			18,000,000	-	18,000,000
Rent	1,800,000.00				1,800,000

* Previous year's figures have been regrouped or rearranged wherever found necessary

As per our report of even date attached.

For Balan & Co.,
Chartered Accountants
(FRN 000340S)



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

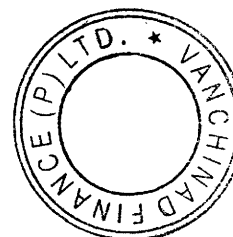


For and on behalf of the Board

Griger Cherry Williams
(Whole time Director)
(DIN : 00145586)



Kocheril Ittoop Varghese
(Additional Director)
(DIN : 08291568)



Place: Aluva
Date : 10.07.2019

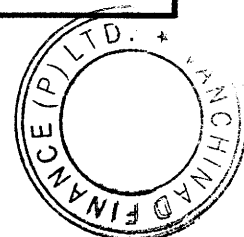
Place: Ernakulam
Date : 10.07.2019

Note No. 22

1) Disclosure of details as required by Para 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions,

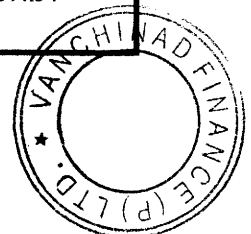
(Rs. In Lakhs)

Particulars			
Liabilities side :			
1	Loans and advances availed by the NBFCs inclusive of interest accrued	Amount out-standing	Amount overdue
	(a) Debentures : Secured	4102.50	
	: Unsecured (other than falling within the meaning of public deposits)	114.90	
	(b) Deferred Credits	Nil	
	(c) Term Loans	Nil	
	(d) Inter-corporate loans and borrowing	Nil	
	(e) Commercial Paper	Nil	
	(f) Public Deposits	Nil	
	(g) Other Loans –		
	Unsecured Loans	0.00	
	C C B D	1945.67	
	Vehcile Loans	9.50	
	Subordinated Debts	1275.20	
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	Nil	
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	
	(c) Other public deposits	Nil	
Assets side :			
		Amount outstanding	
3	Break-up of Loans and Advances including bills receivables [other than those		
	(a) Secured	Nil	
	(b) Unsecured	10,244.34	
4	Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	Nil	
	(b) Operating lease	Nil	
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire & hypothecation	Nil	
	(b) Repossessed Assets	Nil	
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed	Nil	
	(b) Loans other than (a) above	Nil	



5	Break-up of Investments : <u>Current Investments :</u> 1. <u>Quoted :</u> (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify) 2. <u>Unquoted :</u> (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Please specify) <u>Long Term investments :</u> 1. <u>Quoted :</u> (i) Share : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Please specify) 2. <u>Unquoted :</u> (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Please specify)	
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6 Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiarie	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	10244.34	10244.34
Total	-	10244.34	10244.34



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	
	(a) Related parties	-
	(b) Other than related parties	26.34
(ii)	Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	23.71
(iii)	Assets acquired in satisfaction of debt	-

As per our report of even date attached.

For Balan & Co.,
Chartered Accountants
(FRN 000340S)



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

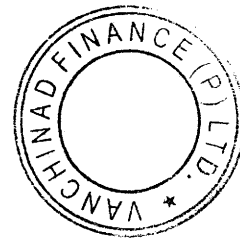
Place: Aluva
Date: 10.07.2019

For and on behalf of the Board

Griger Cherry Williams
(Whole time Director)
(DIN : 00145586)

Kocheril Ittoop Varghese
(Additional Director)
(DIN : 08291568)

Place: Ernakulam
Date: 10.07.2019



Note - 9 : Schedule of fixed assets and depreciation as at 31st March, 2019

Sl. No.	Particulars	Gross Block			Depreciation			Net Block			
		Cost up to 01.04.2018	Additions	Deletions	Cost up to 31.03.2019	Up to 01.04.2018	For the Year	Deductions	Up to 31.03.2019	As on 31.03.2018	As on 31.03.2019
1	Property, Plant & Equipments	6,064,515	774,105	-	6,838,620	422,549	1,576,862	-	1,999,412	5,641,966	4,839,209
2	Furniture and fittings	1,603,871	258,851	-	1,862,722	128,559	410,817	-	539,376	1,475,312	1,323,346
3	Electrical fittings	1,648,360	469,059	-	2,117,419	764,803	703,538	-	1,468,341	883,557	649,078
4	Computer & Accessories	342,450	35,625	-	378,075	231	91,373	-	91,604	342,219	286,471
5	Air conditioner	42,500	1,042,142	-	1,084,642	458	13,425	-	13,883	42,042	1,070,759
6	Vehicle	-	163,732	-	163,732	-	5,249	-	5,249	-	158,482
7	Name Board	-	433,393	-	433,393	-	23,790	-	23,790	-	409,603
8	Fabrication Work	-	422,920	-	422,920	-	2,863	-	2,863	-	420,057
9	Electronic Items	-	56,699	-	56,699	-	6,851	-	6,851	-	49,848
9	CCTV	-	488,429	-	488,429	-	97,686	-	97,686	-	390,743
10	Total	9,701,696	3,656,526	-	13,358,222	2,834,769	4,151,368	-	4,151,368	8,385,096	9,206,854
Intangible Assets											
	Software	-	488,429	-	488,429	-	97,686	-	97,686	-	390,743
	Total	-	488,429	-	488,429	-	97,686	-	97,686	-	390,743
Grand Total		9,701,696	4,144,955	-	13,846,651	-	2,932,454	-	4,249,054	8,385,096	9,597,597
Previous Year		1,001,009	8,700,687	-	9,701,696	55,545	1,261,055	-	1,316,600	945,464	8,385,096



Notes to the financial statements for the year ended March 31, 2019

1. COMPANY INFORMATION

Vanchinad Finance Private Limited ('the company') is a non systemically important Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

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

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

Prudential norms: The Company Complies all the material aspect, with the prudential norms relating to the income recognition, asset classification and provisioning for bad and doubtful debts and other matters, specified in the direction issued by the Reserve Bank of India in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("RBI Directions, 2007) ,as applicable to the company.

2.2. Uses of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period.

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3. Revenue recognition

General: Revenue is recognised as earned and accrued when it is reasonably certain that its ultimate collection will be made and the revenue is measureable.

Income from loans:

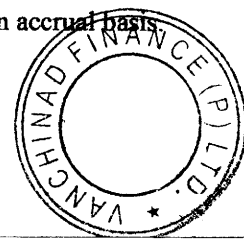
Interest income from loan transactions is accounted for by applying the interest rate implicit in such contracts.

Service charges, documentation charges and other fees on loan transactions are recognised at the commencement of the contract.

Delayed payment charges, fee based income and interest on trade advances are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

Income on business assets classified as Non-performing Assets, is recognized strictly in accordance with the guidelines issued by The Reserve Bank of India for Non-Banking Financial Companies.

Other Income: In respect of the other heads of income, the Company accounts the same on accrual basis.



Notes to the financial statements for the year ended March 31, 2019

2.4. Property, Plant & Equipments

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Subsequent expenditure is capitalised 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 recognised in the Statement of Profit and Loss.

2.5. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

2.6. Depreciation and Amortisation

Depreciation on tangible fixed assets is provided using the Written down value Method based on the useful life of the asset and is charged to the Statement of Profit and Loss in the manner prescribed in Schedule II to the Companies Act, 2013.

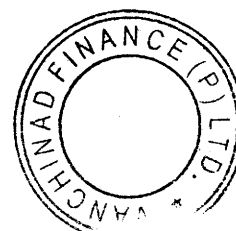
Intangible Assets are amortised on a Straight Line basis over the estimated useful economic life. Computer Software which is not an integral part of the related hardware is classified as an intangible asset, and amortised over a period of five years, being its estimated useful life.

2.7. Impairment

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on written down value basis over its remaining useful life.



Notes to the financial statements for the year ended March 31, 2019

2.8. Employee Benefits

Defined Contribution Benefits

Defined contribution plans are employee state insurance scheme. The Company's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

Defined Benefit Plans

Eligible Employees receives benefit from the provided fund, which is a defined benefit plan. Both the employee and company make monthly contribution to provided fund plan equal to a specified percentage of covered employee's salary.

The Company has no obligation other than the contribution payable to provident fund authorities.

2.9. 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.

2.10. Income taxes

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

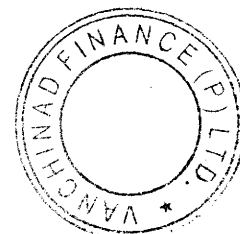
Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities using the applicable tax rates and tax laws.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. 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. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date for any write down, as considered appropriate.

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 deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

2.11. Cash and Cash equivalents

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



Notes to the financial statements for the year ended March 31, 2019

2.12. 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.

2.13. Written Offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference recorded as an expense in the period of write off. Any subsequent recoveries are credited statement of profit and loss.

2.14. Earnings per share

The basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during 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 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.

2.15. Provisions and Contingent liabilities

A provision is recognised 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 .These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statement

