



**ANNUAL RETURN FOR THE FY 2021-22 –  
FORM MGT -7**

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

# FORM NO. MGT-7

[Pursuant to sub-Section(1) of section 92 of the Companies Act, 2013 and sub-rule (1) of rule 11of the Companies (Management and Administration) Rules, 2014]



# Annual Return (other than OPCs and Small Companies)

Form language  English  Hindi

Refer the instruction kit for filing the form.

## I. REGISTRATION AND OTHER DETAILS

| (i) * Corporate Identification Number (CIN) of the company  | <input type="text" value="U65910KL1987PTC004722"/>   | <input type="button" value="Pre-fill"/> |                         |                             |                 |                           |                               |  |
|---|--|---|-------------------------|-----------------------------|-----------------|---------------------------|-------------------------------|--|
| Global Location Number (GLN) of the company                 | <input type="text"/>   |   |                         |                             |                 |                           |                               |  |
| * Permanent Account Number (PAN) of the company             | <input type="text" value="AABCV2506L"/>  |   |                         |                             |                 |                           |                               |  |
| (ii) (a) Name of the company                                | <input type="text" value="VANCHINAD FINANCE PRIVATE"/>   |   |                         |                             |                 |                           |                               |  |
| (b) Registered office address                               | <input type="text" value="KUZHUVELIL BLDG, 2ND FLOOR&lt;br/&gt;POOKATTUPADY ROAD, UNICHIRA, EDAPPALLY&lt;br/&gt;ERNAKULAM&lt;br/&gt;Ernakulam&lt;br/&gt;Kerala&lt;br/&gt;682021"/>   |   |                         |                             |                 |                           |                               |  |
| (c) *e-mail ID of the company                               | <input type="text" value="vanchinadfinancepvtltd@gmail"/>  |   |                         |                             |                 |                           |                               |  |
| (d) *Telephone number with STD code                         | <input type="text" value="04844853300"/>   |   |                         |                             |                 |                           |                               |  |
| (e) Website   | <input type="text" value="www.vanchinadfinance.com"/>  |   |                         |                             |                 |                           |                               |  |
| (iii) Date of Incorporation                                 | <input type="text" value="13/03/1987"/>  |   |                         |                             |                 |                           |                               |  |
| (iv)  | <table border="1"><thead><tr><th>Type of the Company</th><th>Category of the Company</th><th>Sub-category of the Company</th></tr></thead><tbody><tr><td>Private Company</td><td>Company limited by shares</td><td>Indian Non-Government company</td></tr></tbody></table> | Type of the Company                     | Category of the Company | Sub-category of the Company | Private Company | Company limited by shares | Indian Non-Government company |  |
| Type of the Company   | Category of the Company  | Sub-category of the Company             |                         |                             |                 |                           |                               |  |
| Private Company   | Company limited by shares  | Indian Non-Government company           |                         |                             |                 |                           |                               |  |
| (v) Whether company is having share capital                 | <input checked="" type="radio"/> Yes <input type="radio"/> No  |   |                         |                             |                 |                           |                               |  |
| (vi) *Whether shares listed on recognized Stock Exchange(s) | <input type="radio"/> Yes <input checked="" type="radio"/> No  |   |                         |                             |                 |                           |                               |  |

(vii) \*Financial year From date  (DD/MM/YYYY) To date  (DD/MM/YYYY)

(viii) \*Whether Annual general meeting (AGM) held  Yes  No

(a) If yes, date of AGM

(b) Due date of AGM

(c) Whether any extension for AGM granted  Yes  No

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

\*Number of business activities

| S.No | Main Activity group code | Description of Main Activity group | Business Activity Code | Description of Business Activity | % of turnover of the company |
|------|--------------------------|------------------------------------|------------------------|----------------------------------|------------------------------|
| 1    | K                        | Financial and insurance Service    | K8                     | Other financial activities       | 100                          |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

\*No. of Companies for which information is to be given

**Pre-fill All**

| S.No | Name of the company   | CIN / FCRN            | Holding/ Subsidiary/Associate/ Joint Venture | % of shares held |
|------|-----------------------|-----------------------|--|------------------|
| 1    | S M L FINANCE LIMITED | U65910KL1996PLC010648 | Holding                                      | 100              |

## IV. SHARE CAPITAL, DEBENTURES AND OTHER SECURITIES OF THE COMPANY

### (i) \*SHARE CAPITAL

(a) Equity share capital

| Particulars                               | Authorised capital | Issued capital | Subscribed capital | Paid up capital |
|---|--------------------|----------------|--------------------|-----------------|
| Total number of equity shares             | 25,000,000         | 22,000,000     | 22,000,000         | 22,000,000      |
| Total amount of equity shares (in Rupees) | 250,000,000        | 220,000,000    | 220,000,000        | 220,000,000     |

Number of classes

| Class of Shares         | Authorised capital | Issued capital | Subscribed capital | Paid up capital |
|-------------------------|--------------------|----------------|--------------------|-----------------|
| Equity                  |                    |                |                    |                 |
| Number of equity shares | 25,000,000         | 22,000,000     | 22,000,000         | 22,000,000      |

|   |             |             |             |             |
|---|-------------|-------------|-------------|-------------|
| Nominal value per share (in rupees)       | 10          | 10          | 10          | 10          |
| Total amount of equity shares (in rupees) | 250,000,000 | 220,000,000 | 220,000,000 | 220,000,000 |

**(b) Preference share capital**

| Particulars                                   | Authorised capital | Issued capital | Subscribed capital | Paid-up capital |
|---|--------------------|----------------|--------------------|-----------------|
| Total number of preference shares             | 0                  | 0              | 0                  | 0               |
| Total amount of preference shares (in rupees) | 0                  | 0              | 0                  | 0               |

Number of classes

0

| Class of shares                               | Authorised capital | Issued capital | Subscribed capital | Paid up capital |
|---|--------------------|----------------|--------------------|-----------------|
|   |                    |                |                    |                 |
| Number of preference shares                   |                    |                |                    |                 |
| Nominal value per share (in rupees)           |                    |                |                    |                 |
| Total amount of preference shares (in rupees) |                    |                |                    |                 |

**(c) Unclassified share capital**

| Particulars                         | Authorised Capital |
|-------------------------------------|--------------------|
| Total amount of unclassified shares | 0                  |

**(d) Break-up of paid-up share capital**

| Class of shares                               | Number of shares |       |          | Total nominal amount | Total Paid-up amount | Total premium |
|---|------------------|-------|----------|----------------------|----------------------|---------------|
|   | Physical         | DEMAT | Total    |                      |                      |               |
| <b>Equity shares</b>                          |                  |       |          |                      |                      |               |
| <b>At the beginning of the year</b>           | 22,000,000       | 0     | 22000000 | 220,000,000          | 220,000,000          |               |
| <b>Increase during the year</b>               | 0                | 0     | 0        | 0                    | 0                    | 0             |
| i. Public Issues                              | 0                | 0     | 0        | 0                    | 0                    | 0             |
| ii. Rights issue                              | 0                | 0     | 0        | 0                    | 0                    | 0             |
| iii. Bonus issue                              | 0                | 0     | 0        | 0                    | 0                    | 0             |
| iv. Private Placement/ Preferential allotment | 0                | 0     | 0        | 0                    | 0                    | 0             |
| v. ESOPs                                      | 0                | 0     | 0        | 0                    | 0                    | 0             |
| vi. Sweat equity shares allotted              | 0                | 0     | 0        | 0                    | 0                    | 0             |
| vii. Conversion of Preference share           | 0                | 0     | 0        | 0                    | 0                    | 0             |

|  |            |   |          |             |             |   |
|--|------------|---|----------|-------------|-------------|---|
| viii. Conversion of Debentures               | 0          | 0 | 0        | 0           | 0           | 0 |
| ix. GDRs/ADRs                                | 0          | 0 | 0        | 0           | 0           | 0 |
| x. Others, specify<br><input type="text"/>   |            |   |          |             |             |   |
| <b>Decrease during the year</b>              | 0          | 0 | 0        | 0           | 0           | 0 |
| i. Buy-back of shares                        | 0          | 0 | 0        | 0           | 0           | 0 |
| ii. Shares forfeited                         | 0          | 0 | 0        | 0           | 0           | 0 |
| iii. Reduction of share capital              | 0          | 0 | 0        | 0           | 0           | 0 |
| iv. Others, specify<br><input type="text"/>  |            |   |          |             |             |   |
| <b>At the end of the year</b>                | 22,000,000 | 0 | 22000000 | 220,000,000 | 220,000,000 |   |
| <b>Preference shares</b>                     |            |   |          |             |             |   |
| <b>At the beginning of the year</b>          | 0          | 0 | 0        | 0           | 0           |   |
| <b>Increase during the year</b>              | 0          | 0 | 0        | 0           | 0           | 0 |
| i. Issues of shares                          | 0          | 0 | 0        | 0           | 0           | 0 |
| ii. Re-issue of forfeited shares             | 0          | 0 | 0        | 0           | 0           | 0 |
| iii. Others, specify<br><input type="text"/> |            |   |          |             |             |   |
| <b>Decrease during the year</b>              | 0          | 0 | 0        | 0           | 0           | 0 |
| i. Redemption of shares                      | 0          | 0 | 0        | 0           | 0           | 0 |
| ii. Shares forfeited                         | 0          | 0 | 0        | 0           | 0           | 0 |
| iii. Reduction of share capital              | 0          | 0 | 0        | 0           | 0           | 0 |
| iv. Others, specify<br><input type="text"/>  |            |   |          |             |             |   |
| <b>At the end of the year</b>                | 0          | 0 | 0        | 0           | 0           |   |

ISIN of the equity shares of the company

(ii) Details of stock split/consolidation during the year (for each class of shares)

| Class of shares              |                      | (i) | (ii) | (iii) |
|------------------------------|----------------------|-----|------|-------|
| Before split / Consolidation | Number of shares     |     |      |       |
|                              | Face value per share |     |      |       |
| After split / Consolidation  | Number of shares     |     |      |       |
|                              | Face value per share |     |      |       |

**(iii) Details of shares/Debentures Transfers since closure date of last financial year (or in the case of the first return at any time since the incorporation of the company) \***

Nil

[Details being provided in a CD/Digital Media]

Yes  No  Not Applicable

Separate sheet attached for details of transfers

Yes  No

Note: In case list of transfer exceeds 10, option for submission as a separate sheet attachment or submission in a CD/Digital Media may be shown.

|  |            |  |                       |
|--|------------|--|-----------------------|
| Date of the previous annual general meeting        |            | 30/09/2021   |                       |
| Date of registration of transfer (Date Month Year) |            | 25/02/2022   |                       |
| Type of transfer                                   | Debentures | 1 - Equity, 2 - Preference Shares, 3 - Debentures, 4 - Stock |                       |
| Number of Shares/ Debentures/ Units Transferred    | 500        | Amount per Share/ Debenture/Unit (in Rs.)                    | 1,000                 |
| Ledger Folio of Transferor                         | 105        |  |                       |
| Transferor's Name                                  |            |  | Nirmala Bai Dharmaraj |
|  | Surname    | middle name  | first name            |
| Ledger Folio of Transferee                         | 193        |  |                       |

|                   |                      |                      |                                      |
|-------------------|----------------------|----------------------|--------------------------------------|
| Transferee's Name | <input type="text"/> | <input type="text"/> | <input type="text" value="Rohit N"/> |
|                   | Surname              | middle name          | first name                           |

|  |                      |
|--|----------------------|
| Date of registration of transfer (Date Month Year) | <input type="text"/> |
|--|----------------------|

|                  |                      |  |
|------------------|----------------------|--|
| Type of transfer | <input type="text"/> | 1 - Equity, 2- Preference Shares,3 - Debentures, 4 - Stock |
|------------------|----------------------|--|

|   |                      |   |                      |
|---|----------------------|---|----------------------|
| Number of Shares/ Debentures/ Units Transferred | <input type="text"/> | Amount per Share/ Debenture/Unit (in Rs.) | <input type="text"/> |
|---|----------------------|---|----------------------|

|                            |                      |
|----------------------------|----------------------|
| Ledger Folio of Transferor | <input type="text"/> |
|----------------------------|----------------------|

|                   |                      |                      |                      |
|-------------------|----------------------|----------------------|----------------------|
| Transferor's Name | <input type="text"/> | <input type="text"/> | <input type="text"/> |
|                   | Surname              | middle name          | first name           |

|                            |                      |
|----------------------------|----------------------|
| Ledger Folio of Transferee | <input type="text"/> |
|----------------------------|----------------------|

|                   |                      |                      |                      |
|-------------------|----------------------|----------------------|----------------------|
| Transferee's Name | <input type="text"/> | <input type="text"/> | <input type="text"/> |
|                   | Surname              | middle name          | first name           |

**(iv) \*Debentures (Outstanding as at the end of financial year)**

| Particulars                   | Number of units | Nominal value per unit | Total value |
|-------------------------------|-----------------|------------------------|-------------|
| Non-convertible debentures    | 612,453         | 1000                   | 612,453,000 |
| Partly convertible debentures | 0               | 0                      | 0           |
| Fully convertible debentures  | 0               | 0                      | 0           |
| <b>Total</b>                  |                 |                        | 612,453,000 |

**Details of debentures**

| Class of debentures           | Outstanding as at the beginning of the year | Increase during the year | Decrease during the year | Outstanding as at the end of the year |
|-------------------------------|---|--------------------------|--------------------------|---------------------------------------|
| Non-convertible debentures    | 518,901,000                                 | 139,160,000              | 45,608,000               | 612,453,000                           |
| Partly convertible debentures | 0   | 0                        | 0                        | 0                                     |
| Fully convertible debentures  | 0   | 0                        | 0                        | 0                                     |

**(v) Securities (other than shares and debentures)**

0

| Type of Securities | Number of Securities | Nominal Value of each Unit | Total Nominal Value | Paid up Value of each Unit | Total Paid up Value |
|--------------------|----------------------|----------------------------|---------------------|----------------------------|---------------------|
|                    |                      |                            |                     |                            |                     |
|                    |                      |                            |                     |                            |                     |
| Total              |                      |                            |                     |                            |                     |

**V. \*Turnover and net worth of the company (as defined in the Companies Act, 2013)**

**(i) Turnover**

367,110,590

**(ii) Net worth of the Company**

338,418,030

**VI. (a) \*SHARE HOLDING PATTERN - Promoters**

| S. No. | Category                                | Equity           |            | Preference       |            |
|--------|---|------------------|------------|------------------|------------|
|        |   | Number of shares | Percentage | Number of shares | Percentage |
| 1.     | Individual/Hindu Undivided Family       |                  |            |                  |            |
|        | (i) Indian                              | 2                | 0          | 0                |            |
|        | (ii) Non-resident Indian (NRI)          | 0                | 0          | 0                |            |
|        | (iii) Foreign national (other than NRI) | 0                | 0          | 0                |            |
| 2.     | Government                              |                  |            |                  |            |
|        | (i) Central Government                  | 0                | 0          | 0                |            |
|        | (ii) State Government                   | 0                | 0          | 0                |            |
|        | (iii) Government companies              | 0                | 0          | 0                |            |
| 3.     | Insurance companies                     | 0                | 0          | 0                |            |
| 4.     | Banks                                   | 0                | 0          | 0                |            |
| 5.     | Financial institutions                  | 21,999,998       | 100        | 0                |            |



|     |   |            |     |   |   |
|-----|---|------------|-----|---|---|
| 6.  | Foreign institutional investors         | 0          | 0   | 0 |   |
| 7.  | Mutual funds                            | 0          | 0   | 0 |   |
| 8.  | Venture capital                         | 0          | 0   | 0 |   |
| 9.  | Body corporate<br>(not mentioned above) | 0          | 0   | 0 |   |
| 10. | Others                                  | 0          | 0   | 0 |   |
|     | <b>Total</b>                            | 22,000,000 | 100 | 0 | 0 |

**Total number of shareholders (promoters)**

3

**(b) \*SHARE HOLDING PATTERN - Public/Other than promoters**

| S. No. | Category                                | Equity           |            | Preference       |            |
|--------|---|------------------|------------|------------------|------------|
|        |   | Number of shares | Percentage | Number of shares | Percentage |
| 1.     | Individual/Hindu Undivided Family       |                  |            |                  |            |
|        | (i) Indian                              | 0                | 0          | 0                |            |
|        | (ii) Non-resident Indian (NRI)          | 0                | 0          | 0                |            |
|        | (iii) Foreign national (other than NRI) | 0                | 0          | 0                |            |
| 2.     | Government                              |                  |            |                  |            |
|        | (i) Central Government                  | 0                | 0          | 0                |            |
|        | (ii) State Government                   | 0                | 0          | 0                |            |
|        | (iii) Government companies              | 0                | 0          | 0                |            |
| 3.     | Insurance companies                     | 0                | 0          | 0                |            |
| 4.     | Banks                                   | 0                | 0          | 0                |            |
| 5.     | Financial institutions                  | 0                | 0          | 0                |            |
| 6.     | Foreign institutional investors         | 0                | 0          | 0                |            |
| 7.     | Mutual funds                            | 0                | 0          | 0                |            |
| 8.     | Venture capital                         | 0                | 0          | 0                |            |
| 9.     | Body corporate<br>(not mentioned above) | 0                | 0          | 0                |            |
| 10.    | Others                                  | 0                | 0          | 0                |            |

|  |              |   |   |   |   |
|--|--------------|---|---|---|---|
|  | <b>Total</b> | 0 | 0 | 0 | 0 |
|--|--------------|---|---|---|---|

**Total number of shareholders (other than promoters)**

0

**Total number of shareholders (Promoters+Public/  
Other than promoters)**

3

**VII. \*NUMBER OF PROMOTERS, MEMBERS, DEBENTURE HOLDERS  
(Details, Promoters, Members (other than promoters), Debenture holders)**

| Details                           | At the beginning of the year | At the end of the year |
|-----------------------------------|------------------------------|------------------------|
| Promoters                         | 3                            | 3                      |
| Members<br>(other than promoters) | 0                            | 0                      |
| Debenture holders                 | 523                          | 620                    |

**VIII. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**(A) \*Composition of Board of Directors**

| Category                                 | Number of directors at the beginning of the year |               | Number of directors at the end of the year |               | Percentage of shares held by directors as at the end of year |               |
|--|--|---------------|--|---------------|--|---------------|
|  | Executive  | Non-executive | Executive                                  | Non-executive | Executive  | Non-executive |
| <b>A. Promoter</b>                       | 1  | 1             | 1  | 1             | 0  | 0             |
| <b>B. Non-Promoter</b>                   | 1  | 2             | 1  | 2             | 0  | 0             |
| (i) Non-Independent                      | 1  | 0             | 1  | 0             | 0  | 0             |
| (ii) Independent                         | 0  | 2             | 0  | 2             | 0  | 0             |
| <b>C. Nominee Directors representing</b> | 0  | 0             | 0  | 0             | 0  | 0             |
| (i) Banks & FIs                          | 0  | 0             | 0  | 0             | 0  | 0             |
| (ii) Investing institutions              | 0  | 0             | 0  | 0             | 0  | 0             |
| (iii) Government                         | 0  | 0             | 0  | 0             | 0  | 0             |
| (iv) Small share holders                 | 0  | 0             | 0  | 0             | 0  | 0             |
| (v) Others                               | 0  | 0             | 0  | 0             | 0  | 0             |
| <b>Total</b>                             | 2  | 3             | 2  | 3             | 0  | 0             |

**Number of Directors and Key managerial personnel (who is not director) as on the financial year end date**

7

**(B) (i) \*Details of directors and Key managerial personnel as on the closure of financial year**

| Name                     | DIN/PAN    | Designation         | Number of equity share(s) held | Date of cessation (after closure of financial year : If any) |
|--------------------------|------------|---------------------|--------------------------------|--|
| Griger Cherry Williams   | 00145586   | Whole-time director | 0                              |  |
| Susanna Isaac            | 03296118   | Director            | 0                              |  |
| Kocheril Ittoop Varghese | 08291568   | Director            | 0                              |  |
| Kadapuram Mathews m      | 08212342   | Director            | 0                              | 23/08/2022   |
| Abin M Behanan           | 08712671   | Director            | 0                              |  |
| Naveena P Thampi         | BCZPT7387M | Company Secretary   | 0                              |  |
| Sibin Paulson            | CNYPP1750M | CFO                 | 0                              |  |

**(ii) Particulars of change in director(s) and Key managerial personnel during the year**

0

| Name | DIN/PAN | Designation at the beginning / during the financial year | Date of appointment/ change in designation/ cessation | Nature of change (Appointment/ Change in designation/ Cessation) |
|------|---------|--|---|--|
|      |         |  |   |  |

**IX. MEETINGS OF MEMBERS/CLASS OF MEMBERS/BOARD/COMMITTEES OF THE BOARD OF DIRECTORS****A. MEMBERS/CLASS /REQUISITIONED/NCLT/COURT CONVENED MEETINGS**

Number of meetings held

2

| Type of meeting | Date of meeting | Total Number of Members entitled to attend meeting | Attendance                 |                         |
|-----------------|-----------------|--|----------------------------|-------------------------|
|                 |                 |  | Number of members attended | % of total shareholding |
| AGM             | 30/09/2021      | 3  | 3                          | 100                     |
| EGM             | 09/02/2022      | 3  | 3                          | 100                     |

**B. BOARD MEETINGS**

\*Number of meetings held

4

| S. No. | Date of meeting | Total Number of directors associated as on the date of meeting | Attendance                   |                 |
|--------|-----------------|--|------------------------------|-----------------|
|        |                 |  | Number of directors attended | % of attendance |
| 1      | 02/06/2021      | 5  | 5                            | 100             |

| S. No. | Date of meeting | Total Number of directors associated as on the date of meeting | Attendance                   |                 |
|--------|-----------------|--|------------------------------|-----------------|
|        |                 |  | Number of directors attended | % of attendance |
| 2      | 07/09/2021      | 5  | 5                            | 100             |
| 3      | 02/12/2021      | 5  | 5                            | 100             |
| 4      | 21/03/2022      | 5  | 5                            | 100             |

### C. COMMITTEE MEETINGS

Number of meetings held

8

| S. No. | Type of meeting | Date of meeting | Total Number of Members as on the date of the meeting | Attendance                 |                 |
|--------|-----------------|-----------------|---|----------------------------|-----------------|
|        |                 |                 |   | Number of members attended | % of attendance |
| 1      | CSR Committee   | 01/06/2021      | 3   | 3                          | 100             |
| 2      | Nomination and  | 01/06/2021      | 3   | 3                          | 100             |
| 3      | Audit Committee | 01/06/2021      | 3   | 3                          | 100             |
| 4      | Audit Committee | 07/09/2021      | 3   | 3                          | 100             |
| 5      | Audit Committee | 02/12/2021      | 3   | 3                          | 100             |
| 6      | Nomination and  | 02/12/2021      | 3   | 3                          | 100             |
| 7      | Audit Committee | 21/03/2022      | 3   | 3                          | 100             |
| 8      | CSR Committee   | 21/03/2022      | 3   | 3                          | 100             |

### D. \*ATTENDANCE OF DIRECTORS

| S. No. | Name of the director | Board Meetings   |                             |                 | Committee Meetings                                       |                             |                 | Whether attended AGM held on |
|--------|----------------------|--|-----------------------------|-----------------|--|-----------------------------|-----------------|------------------------------|
|        |                      | Number of Meetings which director was entitled to attend | Number of Meetings attended | % of attendance | Number of Meetings which director was entitled to attend | Number of Meetings attended | % of attendance | 12/09/2022                   |
|        |                      |  |                             |                 |  |                             |                 | (Y/N/NA)                     |
| 1      | Griger Cherry        | 4  | 4                           | 100             | 8  | 8                           | 100             | Yes                          |
| 2      | Susanna Isaac        | 4  | 4                           | 100             | 0  | 0                           | 0               | Yes                          |
| 3      | Kocheril Ittoop      | 4  | 4                           | 100             | 0  | 0                           | 0               | Yes                          |
| 4      | Kadapuram M          | 4  | 4                           | 100             | 8  | 8                           | 100             | Not Applicable               |
| 5      | Abin M Behan         | 4  | 4                           | 100             | 8  | 8                           | 100             | Yes                          |

**X. \*REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Nil

Number of Managing Director, Whole-time Directors and/or Manager whose remuneration details to be entered

1

| S. No. | Name                 | Designation     | Gross Salary | Commission | Stock Option/<br>Sweat equity | Others | Total Amount |
|--------|----------------------|-----------------|--------------|------------|-------------------------------|--------|--------------|
| 1      | Griger Cherry Willia | Griger Cherry W | 3,075,000    | 0          | 0                             | 0      | 3,075,000    |
|        | Total                |                 | 3,075,000    | 0          | 0                             | 0      | 3,075,000    |

Number of CEO, CFO and Company secretary whose remuneration details to be entered

1

| S. No. | Name          | Designation | Gross Salary | Commission | Stock Option/<br>Sweat equity | Others | Total Amount |
|--------|---------------|-------------|--------------|------------|-------------------------------|--------|--------------|
| 1      | Sibin Paulson | CFO         | 614,520      | 0          | 0                             | 0      | 614,520      |
|        | Total         |             | 614,520      | 0          | 0                             | 0      | 614,520      |

Number of other directors whose remuneration details to be entered

2

| S. No. | Name          | Designation | Gross Salary | Commission | Stock Option/<br>Sweat equity | Others | Total Amount |
|--------|---------------|-------------|--------------|------------|-------------------------------|--------|--------------|
| 1      | K I Varghese  | Director    | 1,285,000    | 0          | 0                             | 0      | 1,285,000    |
| 2      | Susanna Isaac | Director    | 1,482,500    | 0          | 0                             | 0      | 1,482,500    |
|        | Total         |             | 2,767,500    | 0          | 0                             | 0      | 2,767,500    |

**XI. MATTERS RELATED TO CERTIFICATION OF COMPLIANCES AND DISCLOSURES**

\* A. Whether the company has made compliances and disclosures in respect of applicable provisions of the Companies Act, 2013 during the year  Yes  No

B. If No, give reasons/observations

**XII. PENALTY AND PUNISHMENT - DETAILS THEREOF**

(A) DETAILS OF PENALTIES / PUNISHMENT IMPOSED ON COMPANY/DIRECTORS /OFFICERS  Nil

| Name of the company/ directors/ officers | Name of the court/ concerned Authority | Date of Order | Name of the Act and section under which penalised / punished | Details of penalty/ punishment | Details of appeal (if any) including present status |
|--|--|---------------|--|--------------------------------|---|
|  |  |               |  |                                |   |

(B) DETAILS OF COMPOUNDING OF OFFENCES  Nil

| Name of the company/ directors/ officers | Name of the court/ concerned Authority | Date of Order | Name of the Act and section under which offence committed | Particulars of offence | Amount of compounding (in Rupees) |
|--|--|---------------|---|------------------------|-----------------------------------|
|  |  |               |   |                        |                                   |

**XIII. Whether complete list of shareholders, debenture holders has been enclosed as an attachment**

Yes  No

**XIV. COMPLIANCE OF SUB-SECTION (2) OF SECTION 92, IN CASE OF LISTED COMPANIES**

In case of a listed company or a company having paid up share capital of Ten Crore rupees or more or turnover of Fifty Crore rupees or more, details of company secretary in whole time practice certifying the annual return in Form MGT-8.

Name

M VASUDEVAN

Whether associate or fellow

Associate  Fellow

Certificate of practice number

2437

**I/We certify that:**

- (a) The return states the facts, as they stood on the date of the closure of the financial year aforesaid correctly and adequately.  
 (b) Unless otherwise expressly stated to the contrary elsewhere in this Return, the Company has complied with all the provisions of the Act during the financial year.  
 (c) The company has not, since the date of the closure of the last financial year with reference to which the last return was submitted or in the case of a first return since the date of the incorporation of the company, issued any invitation to the public to subscribe for any securities of the company.  
 (d) Where the annual return discloses the fact that the number of members, (except in case of a one person company), of the company exceeds two hundred, the excess consists wholly of persons who under second proviso to clause (ii) of sub-section (68) of section 2 of the Act are not to be included in reckoning the number of two hundred.

**Declaration**

I am Authorised by the Board of Directors of the company vide resolution no. ...  dated

(DD/MM/YYYY) to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. I further declare that:

- Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the company.
- All the required attachments have been completely and legibly attached to this form.

**Note: Attention is also drawn to the provisions of Section 447, section 448 and 449 of the Companies Act, 2013 which provide for punishment for fraud, punishment for false statement and punishment for false evidence respectively.**

**To be digitally signed by**

Director

Griger  
Cherry  
Williams  
Digitally signed by  
Griger Cherry Williams  
Date: 2022.11.08  
16:51:32 +05'30'

DIN of the director

00145586

**To be digitally signed by**

Naveena  
P Thampi  
Digitally signed by  
Naveena P Thampi  
Date: 2022.11.08  
16:53:08 +05'30'

Company Secretary

Company secretary in practice

Membership number

Certificate of practice number

**Attachments**

- 1. List of share holders, debenture holders
- 2. Approval letter for extension of AGM;
- 3. Copy of MGT-8;
- 4. Optional Attachment(s), if any

|               |
|---------------|
| <b>Attach</b> |
| <b>Attach</b> |
| <b>Attach</b> |
| <b>Attach</b> |

**List of attachments**

|  |
|--|
| List of Debenture holders_31-03-2022.pdf<br>List of shareholdres_31-03-2022.pdf<br>MGT 8.pdf |
|--|

**Remove attachment**

**Modify**

**Check Form**

**Prescrutiny**

**Submit**

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**This eForm has been taken on file maintained by the Registrar of Companies through electronic mode and on the basis of statement of correctness given by the company**



## **ANNUAL REPORT FOR THE FY 2021-22**

VANCHINAD FINANCE PRIVATE LIMITED

CIN: U65910KL1987PTC004722

**KUZHUVELIL BLDG, 2ND FLOOR POOKATTUPADY ROAD, UNICHIRA,  
EDAPPALLY, ERNAKULAM - 682021**

Email – [vanchinadfinancepvtltd@gmail.com](mailto:vanchinadfinancepvtltd@gmail.com),

Website – [www.vanchinad.com](http://www.vanchinad.com)



**VANCHINAD FINANCE PRIVATE LIMITED**

**BOARD OF DIRECTORS**

Dr. Griger Cherry Williams (Whole-time Director)

Smt. Susanna Isaac (Director)

Shri. K. I. Varghese (Director)

CA Abin M Behanan (Independent Director)

**AUDITORS**

Mr. Vinay N Pisharady,  
Chartered Accountant  
Aluva – 683105

**REGISTERED OFFICE**

VANCHINAD FINANCE PRIVATE LIMITEDCIN:  
U65910KL1987PTC004722 KUZHUVELIL  
BLDG, 2ND FLOOR POOKATTUPADY ROAD,  
UNICHIRA, EDAPPALLY, ERNAKULAM -  
682021  
Email – [vanchinadfinancepvtltd@gmail.com](mailto:vanchinadfinancepvtltd@gmail.com),  
Website – [www.vanchinad.com](http://www.vanchinad.com)

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**VANCHINAD FINANCE PRIVATE LIMITED**

Kuzhuvellil Building, 02<sup>nd</sup> Floor, Pookkattupady Road,  
Unichira, Edappally, Ernakulam, Kerala-682021

CIN: U65910KL1987PTC004722

Email – vanchinadfinancepvtltd@gmail.com, Website – www.vanchinad.com

Telephone No: 0484 -4853300

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**NOTICE OF THE 35<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 35<sup>th</sup> Annual General Meeting of the members of **VANCHINAD FINANCE PRIVATE LIMITED** will be held on Monday, 12<sup>th</sup> September, 2022, at Kuzhuvellil Building, 02<sup>nd</sup> Floor, Pookkattupady Road, Unichira, Edappally, Ernakulam-682021 at 5.00 PM to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2022 and Profit and Loss Statement and Cash Flow Statement for the year ended as on that date, together with Auditor's Report and Directors Report thereon.
2. To appoint a director in place of Smt. Susanna Isaac (DIN: 03296118), who retires by rotation and being eligible offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolution:

**CONFIRMATION OF PAYMENT OF INTERIM DIVIDEND ON EQUITY SHARES**

**"RESOLVED THAT** the interim dividend of Rs.2,00,00,000/- ie, 9.09% of equity share capital paid to the shareholders, as per the resolution passed by the Board of Directors at their meeting held on 21<sup>st</sup> March 2022 be and is hereby noted and confirmed."

**SPECIAL BUSINESS**

4. **Issue and allotment of Non-Convertible Debentures on private placement basis**  
To consider and if thought fit, to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 42, 71 and other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any amendment, modification, variation or re-enactment to any of the forgoing), and applicable circulars issued by Reserve Bank of India, and in compliance with other applicable rules, regulations and guidelines issued by any authority and the provisions of the Memorandum and Articles of Association of the Company, approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), for making offer(s) or invitation(s) to subscribe to secured/Unsecured redeemable Non-Convertible Debentures ('NCDs'), and allot NCDs on a private placement basis not exceeding the stipulated limit of subscribers in one or more tranches, for a period of one year, within the overall outstanding borrowing limits of the Company (hereinafter referred to as 'Debenture issue')".

**“RESOLVED FURTHER THAT**, for the purpose of giving effect to the foregoing resolution, the Board of Directors be and is hereby authorized to determine the terms of the issue including the class of investors to whom such NCDs are to be issued, time, total amount to be raised by issuance of NCDs, NCDs to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium/ discount, prepare offer letters, allotment of securities to successful allottees, to create securities in favour of one or more Trustees and to do all such acts, deeds, filings, matters and things and execute all such deeds, documents, instruments and writings as may be required, with powers on behalf of the Company, to settle all questions, difficulties or doubts that may arise in this regard as the Board of Directors may in its sole and absolute discretion deems fit and delegate all or any of its powers herein conferred to any Director(s) and/ or officer(s) of the Company, if required, as it may in its absolute discretion deem it necessary or desirable.”

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

Sd/-

Dr. Griger Cherry Williams

**Whole-time Director**

(DIN: 00145586,

Address: Chungath House,

Guruvayur Road P.O., Kunnamkulam

Thrissur, Kerala - 680503)

Date: 11/08/2022

Place: Ernakulam

**Notes:**

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. A person can act as a proxy on behalf of the members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the company. However, a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.**
2. **For appointing the proxy the enclosed proxy form duly filled, stamped and signed must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
3. Members/Proxies should bring the Attendance Slip sent herewith, duly filled in and signed and hand over the same at the entrance of the hall for attending the meeting.
4. Members are requested to notify immediately any change in their address including e-mail address to the Registered Office of the Company.
5. Relevancy of question and the order of speakers will be decided by the Chairman. Members are requested to forward in writing to the Company any question on the Accounts, so as to reach the Registered Office one week before the date of the Annual General Meeting.
6. The Explanatory Statement as per the Section 102(1) of the Companies Act, 2013 and Secretarial Standard 2, in respect of item no 2 and 4 set out in the notice is annexed hereto.

**As per the requirement of Secretarial Standard 2, the following information relating to the director to be re-appointed as contained in Item No. 2**

| <b>Particulars</b>  | <b>Information</b>   |
|---|--|
| <b>Name</b>   | Smt. Susanna Isaac   |
| <b>Age</b>  | 35   |
| <b>Qualification</b>  | Engineering Graduate   |
| <b>Experience</b>   | Experience in NBFC business activities and other related matters.  |
| <b>Terms and conditions of appointment</b>  | As per the Resolution at Item No. 2  |
| <b>Remuneration sought to be paid</b>   | 2,35,000/- (Rupees Two Lakh Thirty Five Thousand Only) per month   |
| <b>Remuneration Last drawn</b>  | 2,35,000/- (Rupees Two Lakh Thirty Five Thousand Only) per month   |
| <b>Date of first appointment on Board</b>   | 16/10/2019   |
| <b>Shareholding in the company</b>  | -  |
| <b>Relationship with other Directors, Manager and other Key Managerial Personnel of the company</b> | Dr. Griger Cherry Williams (Husband)   |
| <b>Number of Meetings of the Board attended during the year</b>                                     | 04/04  |
| <b>Other Directorships, Membership/ Chairmanship of Committees of other Boards</b>                  | <ul style="list-style-type: none"><li>• SML Finance Limited (Director)</li><li>• Sangeeth Nidhi Limited(Director)</li><li>• GSV Print and Paper LLP (Designated Partner)</li><li>• Ayur Bethaniya LLP (Designated Partner)</li><li>• Bethaniya Clinic LLP (Designated Partner)</li></ul> |

**STATEMENT TO BE ANNEXED PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**4.Issue and allotment of redeemable Non-Convertible Debentures on private placement basis**

**Meaning, Scope and Implication of Item of business:**

**Private Placement"** means any offer of securities or invitation to subscribe securities to a select group of persons by a company (other than by way of public offer) through issue of a private placement offer letter and which satisfies the conditions specified in section 42 of the Companies Act, 2013. As per Section 42 of the Companies Act, 2013 and the rules, to issue non-convertible debentures in an year, under private placement basis, special resolution needs to be passed by the members in their general meeting once in an year, authorizing the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) to make such issue in one or more series as per the Companies Act, 2013.

As per the provisions of Section 42, 71 and all other applicable provisions of the Companies Act, 2013 and rules made thereunder, a company offering or making an invitation to subscribe secured redeemable Non-Convertible Debentures (NCDs) on a private placement basis is required to be obtained prior approval of members of the company by way of special resolution. Such special resolution would remain valid for a period of 01 (one) year from the date of passing such resolution, for all the offers or invitations for such NCDs to be made during the year.

NCDs issued on private Placement basis constitute an alternative source of borrowing for the company other than traditional borrowings from banks and financial institutions.

It is proposed to offer or invite subscription for NCDs on a private placement basis, in one or more tranches, within the overall outstanding borrowing limits of the company, as approved by the members, with an authority to the Board of Directors of the company (hereinafter referred to as

“the Board” which term shall be deemed to include any Committee of the Board), to determine the terms and conditions including the issue price of the NCDs, interest rate, repayment, security or otherwise as it may deem expedient and do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent, or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of the resolution. Accordingly, approval of the members is being sought by way of special resolution under section 42 and other applicable provisions, if any of the Act and its rules thereunder.

The board accordingly recommends the special resolution for the approval of members.

As required by section 102(1) of the Companies Act, 2013 none of the Director, Manager, Key managerial personnel and relatives of such Director, Manager and Key Managerial Personnel is interested in the above resolution.

The special business transacted at the meeting of the company does not relate to or affects any other company. So disclosure pursuant to Sec 102(2) (b) of the Companies Act, 2013 is not applicable

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

Sd/-

Dr. Griger Cherry Williams

**Whole-time Director**

(DIN: 00145586,

Address: Chungath House,

Guruvayur Road P.O., Kunnamkulam

Thrissur, Kerala - 680503)

Date: 11/08/2022

Place: Ernakulam

**VANCHINAD FINANCE PRIVATE LIMITED**

Kuzhuvelil 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 35<sup>th</sup> Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2022.

**1. FINANCIAL RESULTS**

(In Rupees)

| <b>Financial Highlights</b>                          | <b>For the Year Ending<br/>31<sup>st</sup> March 2022 (in<br/>Cr)</b> | <b>For the Year Ending<br/>31<sup>st</sup> March 2021 (in<br/>Cr)</b> |
|--|---|---|
| Total Income   | 39.10   | 35.01   |
| Total Expenditure (including Depreciation)           | 33.90   | 32.04   |
| Profit/(Loss) before Tax                             | 5.21  | 2.97  |
| Tax (including deferred tax)                         | 1.08  | 0.77  |
| Profit/(Loss) after Tax                              | 4.13  | 2.20  |
| Share Capital and Reserve & Surplus                  | 33.84   | 31.71   |
| Total liabilities other than Share capital & Reserve | 144.73  | 115.97  |
| Total Assets   | 178.57  | 147.68  |
| Loan Asset Portfolio                                 | 169.39  | 139.98  |

**2. PERFORMANCE REVIEW**

During the Financial Year, Company achieved 87.73% increase in its profitability with a net profit of Rs. 4.13cr for the financial year ended March 31, 2022 as compared to Rs.2.20 Cr for the financial year ended March 31, 2021. Profit before tax increased by 75.42% to Rs.5.21 cr. Total Income has increased from Rs.35.01 cr for the year ended March 31,2021 to Rs.39.10 cr for the year ended March 31, 2022, which is mainly due to the increase in Interest Income of the Company and increase in income from processing Fee and documentation charges. Interest income of the Company increased to Rs.34.33 cr from the previous financial year's interest income of Rs.33.07 cr. Processing Fee and Documentation charges increased to Rs. 4.15 cr in comparison with Rs. 1.81 cr of the previous Financial Year.

Loan Assets Portfolio of the Company increased by Rs.29.41 cr during the financial year reaching Rs. 169.39 cr as on March 31, 2022, as against Rs.139.98 cr as on March 31, 2021. The Return on equity stood at 12.60% in FY 2021-22 as against 6.70% in FY 2020-21. Net Interest Margin was 13.43 % as compared to 14.01% in FY 2020- 21.

**3. DIVIDEND**

Your Board has declared an interim dividend of Rs.2,00,00,000/- (9.09% of equity share capital) out of the profit for the Financial year on 21<sup>st</sup> March 2022. The Board has decided to plow back the

remaining profit after tax for business activities and not proposed any final dividend in the ensuing Annual General Meeting.

#### 4. CHANGE IN NATURE OF BUSINESS, IF ANY

During the financial year 2021-22, there was no change in the nature of business of the Company.

#### 5. AMOUNTS TRANSFERRED TO RESERVES

Your Board has transferred an amount of Rs. 82,58,800 /- out of the current year profit to the Statutory Reserve maintained u/s 451C of RBI Act. Post transfer of profits to reserves, your Board proposes to retain Rs.8.18 cr in the Retained Earnings.

#### 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 2021-22. 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

There were no material changes or commitments affecting the financial position of the company after balance sheet date till the date of this report.

#### 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.      | Dr. Griger Cherry Williams | Whole-time Director  | 27/09/2018          | 00145586 | Resident                       | Non Independent                         | Executive                 |
| 2.      | Susanna Isaac              | Director             | 16/10/2019          | 03296118 | Resident                       | Non Independent                         | Non-Executive             |
| 3.      | Kocheril Ittoop Varghese   | Director             | 06/11/2018          | 08291568 | Resident                       | Non Independent                         | Executive                 |
| 4.      | Kadapuram Mathews mathai   | Independent Director | 27/08/2018          | 08212342 | Resident                       | Independent                             | Non-Executive             |
| 5.      | Abin M Behanan             | Independent Director | 03/03/2020          | 08712671 | Resident                       | Independent                             | Non-Executive             |

In accordance with the Companies Act, 2013, Mrs. Susanna Isaac (DIN - 03296118), 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 whole-time Director, Chief Financial Officer and Company Secretary as Key Managerial Personnel.

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

There has been no change in the constitution of Board of Directors and Key managerial personnel during the year under review i.e. the structure of the Board remains the same.

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

The Board met Four times during the year. The dates on which the meetings were held are as follows:

|            |            |            |            |
|------------|------------|------------|------------|
| 02.06.2021 | 07.09.2021 | 02.12.2021 | 21.03.2022 |
|------------|------------|------------|------------|

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) |
|----------------------------|------------------------|---------------------|----------------|---|
|                            | Board meetings         | Last AGM 30.09.2021 | EGM 09.02.2022 |   |
|                            | Equity Shares          |                     |                |   |
| Dr. Griger Cherry Williams | 04/04                  | Present             | Present        | -   |
| Susanna Isaac              | 04/04                  | Present             | Present        | -   |
| Kocheril Ittoop Varghese   | 04/04                  | Present             | present        | -   |
| Adv. K Mathews Mathai      | 04/04                  | Present             | Present        | -   |
| Abin M Behanan             | 04/04                  | Present             | Present        | -   |

## 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 and have 2 independent Directors. The company has also obtained declaration of Independence from Independent Directors.

## 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 a women director in its Board.

## 18. NOMINATION AND REMUNERATION COMMITTEE

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. Nomination and Remuneration Committee of the company consists of following members;

1. Adv. K. Mathews Mathai - Chairman (Independent Director)
2. CA Abin M Behanan - Member (Independent Director)
3. Dr. Griger Cherry Williams - Member (Whole-time Director)



During the Financial Year, 2021-22, meeting of Nomination and Remuneration Committee was held 2 times on 01<sup>st</sup> day of June 2021 and 02<sup>nd</sup> day of December 2021.

#### **19. DETAILS OF THE REMUNERATION PAID TO EXECUTIVE DIRECTORS FOR THE FISCAL**

The aggregate of salary and perquisites paid for the fiscal ended 31<sup>st</sup> March, 2022 to the Executive Directors of the Company were as follows:-

1. Dr. Griger Cherry Williams (Whole-time Director) - Rs. 30,75,000/-
2. Mr. Kocheril Ittoop Varghese (Director)- Rs. 12,85,000/-

#### **20. REMUNERATION PAID TO NON EXECUTIVE DIRECTOR**

The aggregate of salary and perquisites paid for the year ended 31<sup>st</sup> March, 2022 to the Non-Executive Director of the Company was as follows:-

1. Mrs. Susanna Isaac (Director) – Rs. 14,82,500/-

#### **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. Audit Committee of the board consist of following members;

- |                               |   |                                 |
|-------------------------------|---|---------------------------------|
| 1. CA Abin M Behanan          | - | Chairman (Independent Director) |
| 2. Adv. K. Mathews Mathai     | - | Member (Independent Director)   |
| 3. Dr. Griger Cherry Williams | - | Member (Whole-time Director)    |

During the Financial Year, 2021-22, meeting of Audit Committee was held on the following dates;

|            |            |            |            |
|------------|------------|------------|------------|
| 01.06.2021 | 07.09.2021 | 02.12.2021 | 21.03.2022 |
|------------|------------|------------|------------|

#### **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**

Mr. Vinay N Pisharady, Chartered Accountant (Membership No:233743), Pothiyil Pisharam, Marampally P.O., Aluva Via, Ernakulam, Kerala – 683105, appointed as the Statutory Auditor of the Company for a period of 5 years from the conclusion of the 32<sup>nd</sup> Annual General Meeting till the conclusion of the 37<sup>th</sup> Annual General Meeting.

#### **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 is a non-systemically Important Non-Deposit Taking NBFC and has not accepted any deposits from public during the period under report.

The Company has allotted Non-convertible Debentures during the Financial Year 2021-22 and details of which are as follows;

| <b>Series</b> | <b>Date of Allotment</b> | <b>No. of Debentures</b> | <b>Total amount of Debentures (in Rs.)</b> |
|---------------|--------------------------|--------------------------|--|
| Series-21     | 16.04.2021               | 3600                     | 36,00,000                                  |
|               | 30.04.2021               | 5960                     | 59,60,000                                  |
| Series-22     | 04.05.2021               | 20000                    | 2,00,00,000                                |
| Series-23     | 17.05.2021               | 1100                     | 11,00,000                                  |
|               | 16.06.2021               | 2700                     | 27,00,000                                  |
|               | 30.06.2021               | 1680                     | 16,80,000                                  |
| Series-24     | 16.07.2021               | 2350                     | 23,50,000                                  |
|               | 31.07.2021               | 11000                    | 1,10,00,000                                |
| Series-25     | 15.12.2021               | 4300                     | 43,00,000                                  |
|               | 31.12.2021               | 10100                    | 1,01,00,000                                |
|               | 15.01.2022               | 6030                     | 60,30,000                                  |
|               | 31.01.2022               | 14120                    | 1,41,20,000                                |
| Series-26     | 15.02.2022               | 6700                     | 67,00,000                                  |
|               | 28.02.2022               | 10350                    | 1,03,50,000                                |
|               | 15.03.2022               | 23145                    | 2,31,45,000                                |
|               | 31.03.2022               | 16025                    | 1,60,25,000                                |
|               | <b>TOTAL</b>             | <b>139160</b>            | <b>13,91,60,000</b>                        |

Total outstanding debentures as on 31.03.2022 was Rs. 61,24,53,000/- and total outstanding subordinated debt as on 31.03.2022 was Rs. 23,46,07,000/-.

### **30. LOANS, GUARANTEES AND INVESTMENTS**

The company had not made loan or give guarantees or provide security or made investments within the meaning of Section 186 of the Companies Act, 2013 and rules made there under during the Financial Year.

### **31. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES**

During the year, no Companies had become or ceased to be 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 2021-22, which were on arm's length basis and in the ordinary course of business. 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 -1**.

### **33. CORPORATE SOCIAL RESPONSIBILITY**

The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Act. The Details of CSR policy of the Company are available on the website of the Company at <https://www.vanchinad.com/assets/documents/CSRPolicy.pdf> .The Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached to this report as **Annexure 2**.

#### **34. EXTRACT OF ANNUAL RETURN**

As required under Section 134(3)(a) of the Companies Act 2013, annual return referred to in sub-section (3) of section 92, is published in the website of the company <https://www.vanchinad.com/annualreport> .

#### **35. RBI GUIDELINES**

Your Company has complied with all the applicable regulations prescribed by the Reserve Bank of India from time to time. Please refer note 3.50 of Notes forming part of Standalone Financial Statements for additional disclosures required under RBI Guidelines applicable to the Company.

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

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. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

During Financial Year no cases reported under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **37. FRAUD REPORTING**

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

#### **38. 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.

#### **39. 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.

#### **40. 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.

Over the years Company has evolved a robust, proper, and adequate internal audit system in keeping with the size of the Company and its business model. Your Company has developed well documented internal audit and control system for meticulous compliance from all layers of the Company. The control system ensures that the Company's assets are safeguarded and protected. The audit system also takes care to see that revenue leakages and losses to the Company are prevented and our income streams are protected. The control system enables reliable financial reporting. The Company has a well-structured Audit & Inspection department to perform timely and frequent internal audits to evaluate the adequacy of systems and procedures and also to

evaluate the status of compliance with the Company's guidelines and other statutory requirements.

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

#### **41. 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. However company is doing formal annual evaluation of Board of Directors and senior management.

#### **42. RISK MANAGEMENT**

The Company recognizes the importance of risk management and towards this end, the Board of Directors had approved and adopted Risk Management Policy (the 'Policy') for implementation of risk management strategy. The board also constituted a Risk Management Committee for reviewing the systems used to manage, identify and assess risks faced by the Company viz., credit risk, operational risk, liquidity risk, governance risk, interest rate risk etc. For each risks identified in the process, corresponding controls are assessed and procedure are put in place for monitoring, mitigating and reporting risk on a periodic basis.

The following risk management activities were carried out during the financial year:

- A) Assessed and strengthened the Policy for further standardization of risk identification, assessment and governance of risks across the Company.
- B) Assessment of business momentum relative to competition and competitive position in key market segments.
- C) Regularly assessed progress on the execution of strategic decisions, progress on the growth of software enabled services, impact of automation, performance of subsidiary businesses and operating cost optimization.
- D) Regularly assessed the business environment including trend line of key external indicators and internal business indicators such as client concentration.
- E) Reviewed key operational risks and actions based on inputs from external assessments, internal audit findings and incidents. Reviewed operational risk areas including client service delivery and information security.
- F) Monitored key developments in the regulatory environment and its impact in operations of the Company.

#### **43. 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.

#### **44. UNSECURED LOAN FROM DIRECTORS**

During the Financial year 2021-22, the Company had not accepted any unsecured loans from its directors.

#### **45. 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.

#### **46. SECRETARIAL STANDARDS**

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

#### **47. 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 our customers, bankers, stakeholders, Investors, debenture holders, Debenture Trustees and business associates for their support during the fiscal.

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

Sd/-

Dr. Griger Cherry Williams

**Whole-time Director**

(DIN: 00145586,

Address: Chungath House, Guruvayur Road P.O.,  
Kunnamkulam Thrissur, Kerala - 680503)

Sd/-

Kocheril Ittoop Varghese

**Director**

(DIN: 08291568,

Address: Flat No. West 127 Federal Park,  
Vennala, Ernakulam, Kerala - 682028)

Place: Ernakulam

Date: 11.08.2022

**Annexure -1****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

| <b>Sl. No: 1</b> | <b>Particulars</b>  | <b>Details</b>   |
|------------------|---|--|
| a)               | Name of the related party & nature of relationship  | <b>C.C.William Varghese</b><br>Father of whole-time director |
| b)               | Nature of contracts/arrangements/transaction  | Remuneration for holding office or place of profit           |
| c)               | Duration of the contracts/arrangements/transaction  | 2021-22  |
| d)               | Salient terms of the contracts or arrangements or transaction including the value, if any | Rs.54,00,000/-   |
| e)               | Date of approval by the Board   | 12.04.2019   |
| f)               | Amount paid as advances, if any   | Nil  |

| <b>Sl. No: 2</b> | <b>Particulars</b>  | <b>Details</b>  |
|------------------|---|---|
| a)               | Name of the related party & nature of relationship  | <b>C.C. William Varghese</b><br>Father of whole-time director |
| b)               | Nature of contracts/arrangements/transaction  | Rent  |
| c)               | Duration of the contracts/arrangements/transaction  | 2021-22   |
| d)               | Salient terms of the contracts or arrangements or transaction including the value, if any | Rs. 18,90,000/-   |
| e)               | Date of approval by the Board   | 04.04.2018  |
| f)               | Amount paid as advances, if any   | Nil   |

| <b>Sl. No: 3</b> | <b>Particulars</b>  | <b>Details</b>                               |
|------------------|---|--|
| a)               | Name of the related party & nature of relationship  | <b>Susanna Isaac</b><br>(Director)           |
| b)               | Nature of contracts/arrangements/transaction  | Salary for holding office or place of profit |
| c)               | Duration of the contracts/arrangements/transaction  | 2021-22                                      |
| d)               | Salient terms of the contracts or arrangements or transaction including the value, if any | Rs. 14,82,500/-                              |
| e)               | Date of approval by the Board   | 02.12.2021                                   |
| f)               | Amount paid as advances, if any   | Nil  |

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

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

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

Place: Ernakulam  
Date: 11.08.2022

**Annual Report on CSR Activities****1. Brief outline on CSR Policy of the Company.**

The Company has adopted the Corporate Social Responsibility Policy (the 'Policy') outlining various activities defined in Schedule VII of the Companies Act, 2013. The Policy envisages the formulations of the CSR Committee which will recommend the amount of expenditure to be incurred on the activities referred to in the Policy to the Board of Directors and monitor the project/ programs from time to time with reporting of the progress on such project/ programs to the Board of Directors. The execution of the projects/ programs is either by way of partnering through the implementation agencies or directly by the Company.

Our Policy is aimed at demonstrating care for the community through its focus on education and skill development, health, wellness and environmental sustainability including biodiversity, energy and water conservation. Also embedded in this is objective to render support to the marginalized cross section of the society by providing opportunities to improve their quality of life.

**2. Composition of CSR Committee:**

| Sl. No. | Name of Director           | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|----------------------------|--------------------------------------|--|--|
| 1       | Adv. K. Mathews Mathai     | Chairman (Independent Director)      | 2  | 2  |
| 2       | CA. Abin M Behanan         | Member (Independent Director)        | 2  | 2  |
| 3       | Dr. Griger Cherry Williams | Member (Whole-time Director)         | 2  | 2  |

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

The Company has framed a CSR Policy in compliance with the provisions of section 135 of the Companies Act, 2013 and the same is placed on the website of the Company and the web link for the same is

<https://www.vanchinad.com/assets/documents/CSRPolicy.pdf> .

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):. Not Applicable****5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**



| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be set-off for the financial year, if any (in Rs) |
|---------|----------------|---|--|
| 1       | 2019-20        | NIL   | NIL  |
| 2       | 2020-21        | NIL   | NIL  |
|         | <b>Total</b>   | -   | -  |

6. Average net profit of the company as per section 135(5): ₹ 5,15,90,129 /-

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 10,31,802.58/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 10,31,802.58/-

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.)  |                   |  |         |                   |
|---|--|-------------------|--|---------|-------------------|
|   | Total Amount transferred to Unspent CSR Account as per section 135(6). |                   | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). |         |                   |
|   | Amount.  | Date of transfer. | Name of the Fund   | Amount. | Date of transfer. |
| Rs.10,37,930  | NA   | NA                | NA   | NA      | NA                |

(b) Details of CSR amount spent against ongoing projects for the financial year:

| (1)     | (2)                  | (3)  | (4)                  | (5)                      |       | (6)        | (7)               | (8)  | (9)  | (10)  | (11)                                      |  |
|---------|----------------------|--|----------------------|--------------------------|-------|------------|-------------------|--|--|---|---|--|
| Sl. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. | Stat. | Distri ct. | Project duration. | Amount allocated for the project (in Rs.). | Amount spent in the current financial Year (in Rs.). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.). | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency |
|         |                      |  |                      |                          |       |            |                   |  |  |   | Name                                      | CSR Registration number.                             |
| 1.      |                      | Not Applicable   | -                    | -                        |       |            | -                 | -  | -  | -   | -   | -  |
|         | Total                |  |                      |                          |       |            |                   |  |  |   |   |  |

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

| (1)          | (2)                                      | (3)  | (4)                  | (5)                      |                    | (6)                                    | (7)                                       | (8)   |                          |
|--------------|--|--|----------------------|--------------------------|--------------------|--|---|---|--------------------------|
| Sl. No.      | Name of the Project                      | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No). | Location of the project. |                    | Amount spent for the project (in Rs.). | Mode of implementation - Direct (Yes/No). | Mode of implementation - Through implementing agency. |                          |
|              |  |  |                      | State.                   | District.          |  |   | Name.   | CSR registration number. |
| 1.           | Medical and treatment aid                | Preventive Healthcare/ Disaster Management                   | Yes                  | Kerala                   | Pathanamthitta     | 27,000                                 | Yes                                       | NA  | NA                       |
|              |  |  |                      |                          | kollam             | 1,22,000                               |   |   |                          |
|              |  |  |                      |                          | Kottayam           | 97,000                                 |   |   |                          |
|              |  |  |                      |                          | Alappuzha          | 2,89,000                               |   |   |                          |
|              |  |  |                      |                          | Idukki             | 24,000                                 |   |   |                          |
|              |  |  |                      |                          | Ernakulam          | 22,000                                 |   |   |                          |
|              |  |  |                      | Palakkad                 | 47,000             |  |   |   |                          |
| Tamil nadu   | Kanyakumari                              | 35,000   |                      |                          |                    |  |   |   |                          |
| 2.           | Eradicating poverty-House reconstruction | Eradicating poverty  | Yes                  | Kerala                   | Kollam             | 5000                                   | Yes                                       | NA  | NA                       |
|              |  |  |                      |                          | Alappuzha          | 7000                                   |   |   |                          |
| 3.           | Promoting education                      | Promoting education  | Yes                  | Kerala                   | Thrissur           | 71,030                                 | Yes                                       | NA  | NA                       |
|              |  |  |                      |                          | Palakkad           | 87,000                                 |   |   |                          |
|              |  |  |                      |                          | Thiruvananthapuram | 60,000                                 |   |   |                          |
|              |  |  |                      |                          | kollam             | 23,000                                 |   |   |                          |
|              |  |  |                      |                          | Ernakulam          | 1,900                                  |   |   |                          |
|              |  |  |                      |                          | Kozhikode          | 19,000                                 |   |   |                          |
|              |  |  |                      |                          | Idukki             | 8,000                                  |   |   |                          |
|              |  |  |                      |                          | Pathanamthitta     | 20,000                                 |   |   |                          |
|              |  |  |                      | Kottayam                 | 5,000              |  |   |   |                          |
| Tamil nadu   | Kanyakumari                              | 68,000   |                      |                          |                    |  |   |   |                          |
| <b>Total</b> |  |  |                      |                          | <b>10,37,930</b>   |  |   |   |                          |



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): Nil

(b) Amount of CSR spent for creation or acquisition of capital asset: Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): There is no unspent amount during the financial year 2021-22.: NA

|  |  |
|--|--|
| Sd/-<br>Dr. Griger Cherry Williams<br>Whole-time Director<br>(DIN: 00145586) | Sd/-<br>Shri. K. Mathews Mathai<br>(Chairman CSR Committee)<br>DIN: 08212342 |
|--|--|

# **Independent Auditors' Report**

**To the Members of Vanchinad Finance Private Limited, Ernakulam.**

## **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 March 31, 2022, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its Profit/Loss and its Cash Flow 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the reports containing the other information, if, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### **Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally

accepted in India, including the accounting Standards specified under section 133 of the Act. 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.

Those 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, 2020 ("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 A**" 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 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 the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 of the Act are not applicable to private limited companies.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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. *Refer Note No.3.26*
- 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.
- iv.
  - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

Place: Aluva  
Date: 11.08.2022



A handwritten signature in black ink, appearing to read "Vinay N. Pisharady", written over a faint circular outline.

**Vinay N. Pisharady FCA**  
Chartered Accountant  
Membership No. 233743  
UDIN: 22233743APATKQ3063



## **“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, 2022.

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.  
  
(B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year..
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company’s business does not involve inventories, and accordingly, the requirement under clause 3(ii)(a) of the Order is not applicable to the Company and hence not commented upon.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the principal business of the Company is to give loans. Therefore, in our opinion, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us, on the basis of our examination of the records of the Company and audit procedure performed by us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company’s interest.

- (c) According to the information and explanations given to us and audit procedures performed by us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated. The principal business of the Company is to give loans, so the irregular repayments or receipts of loans and advances overdue by more than 90 days are as below:

| No. of Borrowers | Overdue amount more than<br>90 days (in Lakhs) |
|------------------|--|
| 3,262            | 164.33   |

- (d) According to the information and explanations given by the management and audit procedure performed by us, the total amount overdue for more than 90 days is ₹ 164.33 lakhs and reasonable steps are been taken by the Company, for the recovery of principal and interest.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the principal business of the Company is to give loans. Therefore, in our opinion, the provisions of clause 3(iii)(e) of the Order are not applicable to the Company.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, 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, as applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the business carried out by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ("GST"), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been generally regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ("GST"), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no statutory dues relating to Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, or Cess or other statutory dues which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix)
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
  - (c) According to the information and explanations given to us by the management and the audit procedure performed by us, the Company has applied the term loans for the purposes for which the loans were obtained.
  - (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
  - (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
  - (f) According to the information and explanations given to us and audit procedure performed by us, the Company does not have any subsidiary, joint venture or associate company. Therefore, the provisions of clause 3(ix)(f) of the Order are not applicable to the Company.
- (x)
  - (a) According to the information and explanations given to us and audit procedure performed by us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Further, monies raised by the Company by way of non-convertible debentures were applied for the purpose for which those were raised.
  - (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)
  - (a) In our opinion and based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistleblower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given by the management and audit procedures performed by us, in our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us by the management, the Company is not required to have an internal audit system to commensurate with the size and nature of its business. Accordingly, clause 3(xiv) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the registration.
- (b) The company has not conducted Non-Banking Financial activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company and hence not commented upon.
- (d) According to the information and explanations given by the management to us, the Group does not have any Core Investment Company as part of the Group.
- (xvii) The Company has not incurred cash any cash losses in the financial year or in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under Clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention,

which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) According to the information and explanations given by the Management and audit procedures performed by us, the Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- (xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

Place: Aluva  
Date: 11.08.2022



A handwritten signature in black ink, appearing to read "Vinay", written over a light-colored scribble.

**Vinay N. Pisharady FCA**  
Chartered Accountant  
Membership No. 233743

**“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Vanchinad Finance Private Limited**

**Report on the Internal Financial Controls 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, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date

**Management’s Responsibility for Internal Financial Controls**

The Company’s management 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 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.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Company’s internal financial controls system over financial reporting.

## 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

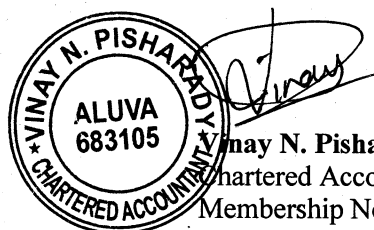
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 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, 2022, 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.

Place: Aluva  
Date: 11.08.2022

  
Vinay N. Pisharady FCA  
Chartered Accountant  
Membership No. 233743

**Vanchinad Finance Private Limited**

Ernakulam

**Balance Sheet as at March 31, 2022**



(In ₹, '000)


| Particulars   | Note No | Figures as at 31st March 2022 | Figures as at 31st March 2021 |
|---|---------|-------------------------------|-------------------------------|
| <b>I EQUITY AND LIABILITIES</b>                         |         |                               |                               |
| <b>1 Shareholders' funds</b>                            |         |                               |                               |
| (a) Share capital                                       | 3.1     | 2,20,000.00                   | 2,20,000.00                   |
| (b) Reserves and surplus                                | 3.2     | 1,18,418.03                   | 97,124.23                     |
| <b>2 Share application money pending allotment</b>      |         |                               |                               |
| <b>3 Non-current liabilities</b>                        |         |                               |                               |
| (a) Long-term borrowings                                | 3.3     | 8,08,003.14                   | 7,03,621.53                   |
| (b) Deferred tax liabilities (Net)                      |         | -                             | -                             |
| (c) Other Long term liabilities                         | 3.4     | 24,003.91                     | 17,121.15                     |
| (d) Long-term provisions                                | 3.5     | 27,525.04                     | 9,728.58                      |
| <b>4 Current liabilities</b>                            |         |                               |                               |
| (a) Short-term borrowings                               | 3.6     | 5,49,840.12                   | 4,09,574.49                   |
| (b) Trade payables                                      |         | -                             | -                             |
| (c) Other current liabilities                           | 3.7     | 19,652.32                     | 10,143.04                     |
| (d) Short-term provisions                               | 3.8     | 18,264.19                     | 9,500.00                      |
| <b>Total</b>  |         | <b>17,85,706.75</b>           | <b>14,76,813.02</b>           |
| <b>II ASSETS</b>  |         |                               |                               |
| <b>1 Non Current Assets</b>                             |         |                               |                               |
| (a) Property, Plant and Equipment and Intangible assets |         |                               |                               |
| (i) Property, Plant and Equipment                       | 3.9     | 6,774.05                      | 9,141.57                      |
| (ii) Intangible assets                                  | 3.9     | 2,346.24                      | 2,496.42                      |
| (iii) Capital work-in-progress                          |         | -                             | -                             |
| (iv) Intangible assets under development                |         | -                             | -                             |
| (b) Non-current investments                             |         |                               |                               |
| (c) Deferred tax assets (net)                           | 3.10.   | 7,963.78                      | 2,514.72                      |
| (d) Long-term loans and advances- Financing Activity    | 3.11    | 5,20,060.87                   | 3,94,494.60                   |
| (e) Long-term loans and advances                        | 3.12    | 2,037.55                      | 719.73                        |
| (f) Other non-current assets                            | 3.13    | 6,986.67                      | 7,167.42                      |
| <b>2 Current assets</b>                                 |         |                               |                               |
| (a) Current investments                                 |         |                               |                               |
| (b) Cash and cash equivalents                           | 3.14    | 20,297.95                     | 22,708.81                     |
| (c) Short-term loans and advances - Financing Activity  | 3.11    | 10,60,332.10                  | 8,73,852.49                   |
| (d) Short-term loans and advances                       | 3.15    | 1,42,986.52                   | 1,43,068.87                   |
| (e) Other current assets                                | 3.16    | 15,921.02                     | 20,648.39                     |
| <b>Total</b>  |         | <b>17,85,706.75</b>           | <b>14,76,813.02</b>           |

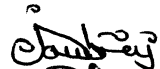
See accompanying notes to the financial statements


In terms of our report attached.

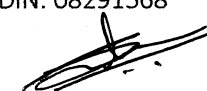
For and on behalf of the Board of Directors


  
  
**Vinay N. Pisharady**  
 Chartered Accountant  
 Membership No: 233743  
 Place: Aluva  
 Date: 11.08.2022

  
**Dr. Griger Cherry Williams**  
 (Whole Time Director)  
 DIN: 00145586

  
**Naveena P. Thampi**  
 (Company Secretary)

  
**K. T. Varghese**  
 (Director)  
 DIN: 08291568

  
**Sibin Paulson**  
 (Chief Financial Officer)

  
 Place: Ernakulam  
 Date: 11.08.2022



## Profit and loss statement for the year ended March 31, 2022


(In ₹, '000)

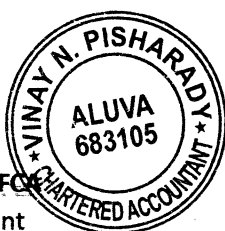
| Particulars  | Note No. | From 01.04.2021 to 31.03.2022 | From 01.04.2020 to 31.03.2021 |
|--|----------|-------------------------------|-------------------------------|
| I Revenue from operations  | 3.17     | 3,67,110.59                   | 3,31,043.42                   |
| II Other income  | 3.18     | 23,979.09                     | 19,104.52                     |
| <b>III Total Income(I + II)</b>  |          | <b>3,91,089.68</b>            | <b>3,50,147.94</b>            |
| IV Expenses  |          |                               |                               |
| Employee benefits expense  | 3.19     | 93,579.83                     | 88,495.05                     |
| Finance costs  | 3.20     | 1,35,505.54                   | 1,35,725.00                   |
| Depreciation and amortization expense                                  | 3.21     | 3,787.20                      | 3,904.54                      |
| Other expenses   | 3.22     | 1,06,085.56                   | 92,289.62                     |
| <b>Total expenses</b>  |          | <b>3,38,958.13</b>            | <b>3,20,414.22</b>            |
| V Profit before exceptional and extraordinary items and tax (III-IV)   |          | 52,131.56                     | 29,733.72                     |
| VI Exceptional items   |          | -                             | -                             |
| VII Profit before extraordinary items and tax (V - VI)                 |          | 52,131.56                     | 29,733.72                     |
| VIII Extraordinary Items   |          | -                             | -                             |
| <b>IX Profit before tax (VII- VIII)</b>                                |          | <b>52,131.56</b>              | <b>29,733.72</b>              |
| X Tax expense:   |          |                               |                               |
| Current tax  |          | 18,264.19                     | 9,500.00                      |
| Short/ (Excess) tax provision for earlier years                        |          | (1,977.37)                    | -                             |
| Deferred tax   |          | (5,449.06)                    | (1,748.52)                    |
|  |          | <b>10,837.76</b>              | <b>7,751.48</b>               |
| XI Profit (Loss) for the period from continuing operations (VII-VIII)  |          | <b>41,293.80</b>              | <b>21,982.24</b>              |
| XII Profit/(loss) from discontinuing operations                        |          | -                             | -                             |
| XIII Tax expense of discontinuing operations                           |          | -                             | -                             |
| XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) |          | -                             | -                             |
| <b>XV Profit/ (Loss) (XI + XIV)</b>                                    |          | <b>41,293.80</b>              | <b>21,982.24</b>              |
| XVI Earnings per equity share  | 3.23     |                               |                               |
| Basic  |          | 1.88                          | 1.00                          |
| Diluted  |          | 1.88                          | 1.00                          |

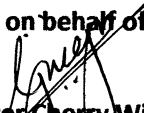
See accompanying notes to the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

  
**Vinay N. Pisharady** FCA  
 Chartered Accountant  
 Membership No: 233743



  
**Dr. Griger Cherry Williams**  
 (Whole Time Director)  
 DIN: 00145586

  
**Naveena P. Thampi**  
 (Company Secretary)



  
**K. I. Varghese**  
 (Director)  
 DIN: 08291568

  
**Sibin Paulson**  
 (Chief Financial Officer)

Place: Aluva

Date: 11.08.2022

Place: Ernakulam

Date: 11.08.2022

Cash Flow Statement for the year ended March 31, 2022

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

| PARTICULARS  | (In ₹, '000)                |                             |
|--|-----------------------------|-----------------------------|
|  | 2021-22<br>RS               | 2020-21<br>RS               |
| <b>A. Cash Flow From Operating Activities :</b>              |                             |                             |
| Net profit Before Taxation                                   | 52,131.55                   | 29,733.72                   |
| <u>Adjustments for:</u>                                      |                             |                             |
| Depreciation   | 3,787.20                    | 3,904.54                    |
| Interest on borrowings                                       | 1,35,505.54                 | 1,35,725.00                 |
| Interest income  | (17,704.95)                 | (17,668.19)                 |
| Interest on Income Tax refund                                | (203.99)                    | (93.69)                     |
| Provision for Standard asset & NPA                           | 17,186.35                   | 5,404.62                    |
| Bad Debts w/off  | 16,738.24                   | 38,532.68                   |
| Operating Profit before Working Capital Changes              | <u>2,07,439.94</u>          | <u>1,95,538.69</u>          |
| <br>   |                             |                             |
| (Increase)/Decrease in Loans & Advances                      | (1,317.81)                  | (1,138.61)                  |
| (Increase)/Decrease in Loans & Advances-Financing activities | (3,28,784.11)               | (33,703.55)                 |
| (Increase)/Decrease in Short term Loans & Advances           | 7,506.08                    | (18,258.94)                 |
| (Increase)/Decrease in Current Assets                        | 4,727.38                    | (9,891.17)                  |
| (Increase)/Decrease in Other Non Current Assets              | 180.75                      | -                           |
| Increase/(Decrease) in Sundry Creditors & Other liabilities  | 17,002.15                   | 10,138.79                   |
| <br>   |                             |                             |
| Cash from operations   | <u>(93,245.62)</u>          | <u>1,42,685.23</u>          |
| Income Tax Paid  | <u>(14,742.37)</u>          | <u>(11,271.74)</u>          |
| <b>Net Cash From Operating Activities</b>                    | <u><b>(1,07,987.99)</b></u> | <u><b>1,31,413.49</b></u>   |
| <br>   |                             |                             |
| <b>B. Cash Flow From Investing activities:</b>               |                             |                             |
| Purchase of Fixed Assets                                     | (1,269.49)                  | -                           |
| Interest income  | 17,704.95                   | 17,668.19                   |
| Proceedings from Sale of Fixed Assets                        | -                           | (3,553.31)                  |
| <br>   |                             |                             |
| <b>Net Cash From Investing Activities</b>                    | <u><b>16,435.46</b></u>     | <u><b>14,114.88</b></u>     |
| <br>   |                             |                             |
| <b>C. Cash Flow From Financing Activities:</b>               |                             |                             |
| Proceeds of short term borrowings                            | 1,40,265.63                 | 53,047.18                   |
| Proceeds from long-term borrowings                           | 1,04,381.61                 | 2,168.08                    |
| Interest on borrowings                                       | (1,35,505.54)               | (1,35,725.00)               |
| Dividend paid  | (20,000.00)                 | (44,000.00)                 |
| <br>   |                             |                             |
| <b>Net Cash From Financing Activities</b>                    | <u><b>89,141.70</b></u>     | <u><b>(1,24,509.75)</b></u> |
| <br>   |                             |                             |
| <b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS</b>  | <u><b>(2,410.83)</b></u>    | <u><b>21,018.63</b></u>     |
| <b>OPENING CASH AND CASH EQUIVALENTS</b>                     | <u><b>22,708.81</b></u>     | <u><b>1,690.18</b></u>      |
| <b>CLOSING CASH AND CASH EQUIVALENTS</b>                     | <u><b>20,297.95</b></u>     | <u><b>22,708.81</b></u>     |

In terms of our report attached.

For and on behalf of the Board of Directors

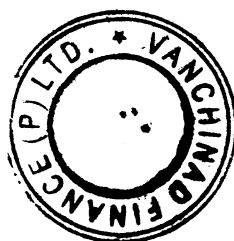
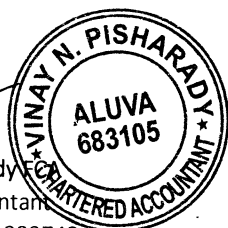
Dr. Griger Cherry Williams  
(Whole Time Director)  
DIN: 00145586

K. I. Varghese  
(Director)  
DIN: 08291568

Naveena P. Thampi  
(Company Secretary)

Sibin Paulson  
(Chief Financial Officer)

Vinay N. Pisharady  
Chartered Accountant  
Membership No: 233743



Place: Aluva  
Date: 11.08.2022

Place: Ernakulam  
Date: 11.08.2022

## 1. Company Information

Vanchinad Finance Private Limited ('the Company') is registered as a Non-Banking Financial Company ('NBFC') as defined under section 45-IA of the Reserve Bank of India Act, 1934. The Company is principally engaged in lending activity and provides fund-based services like personal loans, gold loans etc. The Company is a Non-Systemically Important Non-Deposit taking NBFC and has received the certificate of registration B.16.00110 on August 18, 2000, enabling the Company to carry on business as Non-Banking Financial Company. The Company is a subsidiary of SML Finance Limited.

## 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 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 recognized as earned and accrued when it is reasonably certain that its ultimate collection will be made and the revenue is measurable.

#### **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 recognized at the commencement of the contract.

Delayed payment charges, fee-based income and interest on trade advances are recognized 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.

#### 2.4. Property, Plant and Equipments

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and accumulated impairment losses if any. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

The cost of fixed assets comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long-Term Loans & Advances.

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

#### 2.5. 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 Amortization

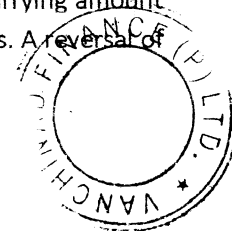
In respect of fixed assets acquired during the year, depreciation /amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013.

Intangible Assets are amortized 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 amortized 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 recognized 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 recognized 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 recognized for the asset in prior years. A reversal of impairment loss is recognized 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.

## 2.8. Investments

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Investment in subsidiary company is stated at cost.

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

## 2.9. Employee benefits

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

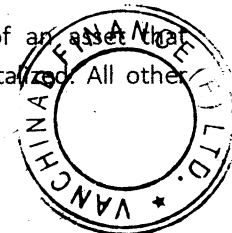
### Post-employment benefits:

1. **Defined contribution plans:** The employees of the Company are entitled to receive benefits under the Provident Fund and Employee State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the Statement of Profit and Loss in the financial year to which they relate.
2. **Defined benefit plans:** The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date. Actuarial gains / losses are immediately taken to statement of profit and loss and are not deferred.

## 2.10. 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.



## 2.11. 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 recognized 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 recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization 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 recognized 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.

In accordance with the provisions of Section 115BAA of the Income Tax Act 1961, the Company has opted to pay tax at the reduced rate prescribed therein. Consequently, tax expenses for the year comprising current and deferred tax as per accounting have been recognized using the reduced tax rates applicable.

## 2.12. Segment Reporting

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

## 2.13. Lease

### Where the company is lessee

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

### Where the company is the lessor

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

## 2.14. 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.



### 2.15. Cash Flow Statement

Company has prepared cash flow statement using the Indirect Method, whereby net profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

### 2.16. Classification of Debentures

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

### 2.17. Earnings per share

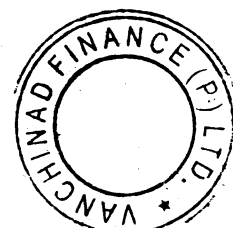
The basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented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

### 2.18. 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 to statement of profit and loss account

### 2.19. Provisions and Contingent liabilities

- a. 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. 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 statements
- b. Provision policy for loan portfolios: Company provides for non-performing loans and advances as mentioned in Para 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016. Provision for standard assets (including interest receivable) is made at 0.25% as mentioned in Para 14 of Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 and shown in the balance sheet as 'Contingent Provisions for standard asset'.
- c. For restructured asset -The lending institutions shall keep provisions from the date of implementation, which are higher of the provisions held as per the extant IRAC norms immediately before implementation, or 10 percent of the renegotiated debt exposure of the lending institution post implementation (residual debt).



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

## 3.1 Share capital

| Particulars                                    | March 31,2022      |                    | March 31,2021      |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | No.                | Value              | No.                | Value              |
| (in ₹ '000, except as stated otherwise)        |                    |                    |                    |                    |
| <b>Authorized:</b>                             |                    |                    |                    |                    |
| Equity shares of Rs 10 each                    | 2,50,00,000        | 2,50,000.00        | 2,50,00,000        | 2,50,000.00        |
| <b>Issued, Subscribed &amp; Fully Paid Up:</b> |                    |                    |                    |                    |
| Equity shares of Rs 10 each                    | 2,20,00,000        | 2,20,000.00        | 2,20,00,000        | 2,20,000.00        |
| <b>TOTAL</b>                                   | <b>2,20,00,000</b> | <b>2,20,000.00</b> | <b>2,20,00,000</b> | <b>2,20,000.00</b> |

## 3.1.1 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.

## 3.1.2 Reconciliation of shares at the beginning and at the end of the financial year

(in ₹ '000, except as stated otherwise)

| Equity Shares                                     | March 31,2022      |                    | March 31,2021      |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | No. of shares      | Value              | No. of shares      | Value              |
| No: of equity shares at the beginning of the year | 2,20,00,000        | 2,20,000.00        | 2,20,00,000        | 2,20,000.00        |
| Add: Fresh issue                                  | -                  | -                  | -                  | -                  |
| Less: shares bought back                          | -                  | -                  | -                  | -                  |
| <b>Outstanding at the end of the year</b>         | <b>2,20,00,000</b> | <b>2,20,000.00</b> | <b>2,20,00,000</b> | <b>2,20,000.00</b> |

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

(in ₹ '000, except as stated otherwise)

| Name of shareholders                    | March 31,2022 |                   | March 31,2021 |                   |
|---|---------------|-------------------|---------------|-------------------|
|   | No. of shares | % of shareholding | No. of shares | % of shareholding |
| Equity shares of Rs 10 each, fully paid |               |                   |               |                   |
| SML Finance Limited                     | 2,19,99,998   | 100.00%           | 2,19,99,998   | 100.00%           |

## 3.1.4 Particulars of Share held by Promoters of the Company

(in ₹ '000, except as stated otherwise)

| Name of shareholders                    | March 31,2022 |                   | March 31,2021 |                   | % of Changes |
|---|---------------|-------------------|---------------|-------------------|--------------|
|   | No. of shares | % of shareholding | No. of shares | % of shareholding |              |
| Equity shares of Rs 10 each, fully paid |               |                   |               |                   |              |
| SML Finance Limited                     | 2,19,99,998   | 100.00%           | 2,19,99,998   | 100.00%           | 0.00%        |

## 3.2 Reserves and surplus

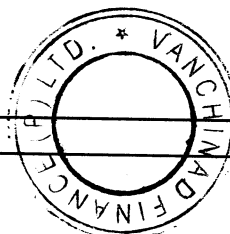
| Particulars | (In ₹ ,'000)  |               |
|-------------|---------------|---------------|
|             | March 31,2022 | March 31,2021 |

## 3.2.1 Statutory Reserve Fund

|                               |                  |                  |
|-------------------------------|------------------|------------------|
| As Per last balance sheet     | 28,334.09        | 23,937.59        |
| (+) Additions during the year | 8,258.80         | 4,396.50         |
|                               | <b>36,592.89</b> | <b>28,334.09</b> |

## 3.2.2 Surplus /(Deficit) in Statement of Profit and Loss

|   |                    |                  |
|---|--------------------|------------------|
| Opening Balance   | 68,790.14          | 95,204.40        |
| Net Profit/(Loss) after tax as per Statement of Profit and Loss | 41,293.79          | 21,982.24        |
| (-) Dividend on Equity Shares                                   | (20,000.00)        | (44,000.00)      |
| (-) Transfer to Statutory Reserve                               | (8,258.80)         | (4,396.50)       |
| Closing Balance   | <b>81,825.13</b>   | <b>68,790.14</b> |
| <b>Total</b>  | <b>1,18,418.02</b> | <b>97,124.23</b> |





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

## 3.2.3 Nature and purpose of Reserves

**Statutory reserve**

Statutory Reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934. It requires every non banking finance institution which is a Company to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. The Company has appropriated 20% of the Profit After Tax to the fund for the year.

**Retained earnings or Surplus**

This reserve represents the cumulative profits of the Company.

| 3.3 Long-term borrowings       | Non-Current        |                    | Current            |                  | (In ₹, '000) |
|--------------------------------|--------------------|--------------------|--------------------|------------------|--------------|
|                                | March 31,2022      | March 31,2021      | March 31,2022      | March 31,2021    |              |
| <b>Particulars</b>             |                    |                    |                    |                  |              |
| <b>Secured</b>                 |                    |                    |                    |                  |              |
| (a) Non-convertible Debentures | 5,92,453.00        | 5,18,901.00        | -                  | -                |              |
| (b) Term Loans                 |                    |                    |                    |                  |              |
| (i) From banks                 | 62,084.14          | 4,947.53           | 86,580.08          | 13,122.11        |              |
| (ii) From other parties        | -                  | -                  | 1,775.03           | 8,358.14         |              |
| <b>Unsecured</b>               |                    |                    |                    |                  |              |
| (a) Non-convertible Debentures | 20,000.00          | -                  | -                  | -                |              |
| (b) Subordinated Debt          | 1,33,466.00        | 1,79,773.00        | 1,01,141.00        | -                |              |
| <b>Total</b>                   | <b>8,08,003.14</b> | <b>7,03,621.53</b> | <b>1,89,496.12</b> | <b>21,480.26</b> |              |

## 3.3.1 Nature of Security

**Privately Placed Secured Non Convertible Debentures** are secured by way of First Charge of hypothecation of Standard book debts/standard loan receivables, both present and future of Aralvaimozhi, Karukachal, Karungal, Kattappana, Kottaram, Koyilandi, Kulasekharam, Nagercoil, Ottapalam, Pathanamthitta, Pattambi, Valliyoor, Kollam, Kottarakkara, Thiruvalla, Kaliyikkavila, Ettumanoor, Ponkunnam, Mundoor, Mavelikkara, Vadakara, Thamarassery, Ramanattukara, Karthikappally and Varkkala branches of the Company.

**Term Loans from banks:**

**Emergency Loan (COVID 19) from SBI** is secured by way of First Charge of hypothecation of Standard book debts / standard loan receivables, present and future of Chavara, Ayur, Peerumed, Vandithavalam, Oachira, Pothancodu, Neyyattinkara, Attingal, Kilimanoor branches of the company and Second charge by way of hypothecation of remaining book debts/standard loan receivables, current assets etc. ,present and future of the company other than the amount mentioned at branches furnished under above and EM of Commercial Building and residential building.

**Term Loans from Canara Bank** is secured by way of First Charge of hypothecation of Standard book debts/standard loan receivables, present and future of Adoor, Kundara, Kottiyam, Parippally, Vaikom and Kattakada branches of the Company.

**Vehicle Loan from Federal Bank** is Secured by hypothecation of Vehicle - Ertiga ( KL 07 CR 9900) vide Sanction Order of Federal Bank vide Sanction No: CL/2019/11840000889 dated 05.02.2019.

**Term Loans from other parties:**

**Term Loan from Eclear Leasing and Finance** is secured by hypothecation on receivables, created from loan disbursement out of the loan received from Eclear to an extent of 110% of outstanding loan amount.

**Term Loan from Habitat** is secured primarily by way of exclusive Hypothecation charge on book debts equivalent to 110% of the loan amount.

Further, the Term loan from Canara Bank has been guaranteed by the Personal guarantee of Directors and Corporate Guarantee of S M L Finance Ltd.

Term loan from Eclear Leasing and Finance has been guaranteed by the Personal guarantee of the Directors.

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

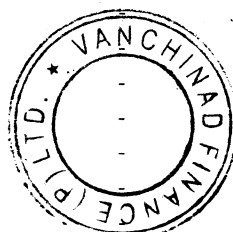


## 3 Notes to the financial statements for the year ended March 31, 2022

## Non Convertible Debentures - Private Placement

## 3.3.2 Series wise classification of Non Convertible Debentures

| Particulars           | Date of allotment | Date of maturity | (In ₹, '000)       |                    |
|-----------------------|-------------------|------------------|--------------------|--------------------|
|                       |                   |                  | March 31,2022      | March 31,2021      |
| VFPL/ NCD / Series 1  | 31.03.2018        | 31.03.2028       | 22,423.00          | 26,923.00          |
| VFPL/ NCD / Series 2  | 31.03.2018        | 31.03.2028       | 32,500.00          | 36,480.00          |
| VFPL/ NCD / Series 3  | 31.03.2018        | 31.03.2028       | -                  | -                  |
| VFPL/ NCD / Series 4  | 31.03.2018        | 31.03.2028       | 28,716.00          | 32,666.00          |
| VFPL/ NCD / Series 5  | 31.03.2018        | 31.03.2028       | 18,873.00          | 23,831.00          |
| VFPL/ NCD / Series 6  | 31.03.2018        | 31.03.2028       | 25,185.00          | 26,455.00          |
| VFPL/ NCD / Series 7  | 31.05.2018        | 31.05.2028       | 3,245.00           | 3,245.00           |
| VFPL/ NCD / Series 8  | 31.05.2018        | 31.05.2028       | 5,000.00           | 5,000.00           |
| VFPL/ NCD / Series 9  | 01.10.2018        | 01.10.2028       | 15,275.00          | 15,275.00          |
| VFPL/ NCD / Series 10 | 01.12.2018        | 01.12.2028       | 33,375.00          | 34,375.00          |
| VFPL/ NCD / Series 11 | 29.01.2019        | 29.01.2029       | 23,831.00          | 25,331.00          |
| VFPL/ NCD / Series 12 | 29.03.2019        | 29.03.2029       | 61,660.00          | 66,960.00          |
| VFPL/ NCD / Series 13 | 31.05.2019        | 31.05.2029       | 26,500.00          | 35,150.00          |
| VFPL/ NCD / Series 14 | 30.07.2019        | 30.07.2029       | 22,400.00          | 23,900.00          |
| VFPL/ NCD / Series 15 | 16.08.2019        | 16.08.2029       | 2,020.00           | 2,020.00           |
| VFPL/ NCD / Series 15 | 02.09.2019        | 02.09.2029       | 6,000.00           | 7,000.00           |
| VFPL/ NCD / Series 15 | 17.09.2019        | 17.09.2029       | 5,800.00           | 5,800.00           |
| VFPL/ NCD / Series 15 | 01.10.2019        | 01.10.2029       | 7,300.00           | 8,300.00           |
| VFPL/ NCD / Series 16 | 16.10.2019        | 16.10.2029       | 7,000.00           | 8,200.00           |
| VFPL/ NCD / Series 16 | 01.11.2019        | 01.11.2029       | 7,600.00           | 9,600.00           |
| VFPL/ NCD / Series 16 | 16.11.2019        | 16.11.2029       | 4,500.00           | 4,500.00           |
| VFPL/ NCD / Series 16 | 30.11.2019        | 30.11.2029       | 3,250.00           | 3,250.00           |
| VFPL/ NCD / Series 17 | 16.12.2019        | 16.12.2029       | 6,600.00           | 6,600.00           |
| VFPL/ NCD / Series 17 | 01.01.2020        | 01.01.2030       | 3,150.00           | 3,850.00           |
| VFPL/ NCD / Series 17 | 16.01.2020        | 16.01.2030       | 2,000.00           | 2,600.00           |
| VFPL/ NCD / Series 17 | 31.01.2020        | 30.01.2030       | 4,725.00           | 4,725.00           |
| VFPL/ NCD / Series 18 | 17.02.2020        | 17.02.2030       | 7,119.00           | 7,119.00           |
| VFPL/ NCD / Series 18 | 02.03.2020        | 02.03.2030       | 2,700.00           | 2,700.00           |
| VFPL/ NCD / Series 18 | 16.03.2020        | 16.03.2030       | 6,861.00           | 6,861.00           |
| VFPL/ NCD / Series 18 | 31.03.2020        | 31.03.2030       | 2,000.00           | 2,600.00           |
| VFPL/ NCD / Series 19 | 16.12.2020        | 16.12.2030       | 5,300.00           | 6,300.00           |
| VFPL/ NCD / Series 19 | 31.12.2020        | 31.12.2030       | 8,350.00           | 9,250.00           |
| VFPL/ NCD / Series 19 | 16.01.2021        | 16.01.2031       | 12,350.00          | 12,350.00          |
| VFPL/ NCD / Series 19 | 30.01.2021        | 30.01.2031       | 13,140.00          | 13,140.00          |
| VFPL/ NCD / Series 20 | 16.02.2021        | 16.02.2031       | 5,500.00           | 5,500.00           |
| VFPL/ NCD / Series 20 | 01.03.2021        | 01.03.2031       | 2,200.00           | 2,200.00           |
| VFPL/ NCD / Series 20 | 18.03.2021        | 18.03.2031       | 9,025.00           | 9,025.00           |
| VFPL/ NCD / Series 20 | 31.03.2021        | 31.03.2031       | 19,820.00          | 19,820.00          |
| VFPL/ NCD / Series 21 | 16.04.2021        | 16.04.2031       | 3,600.00           | -                  |
| VFPL/ NCD / Series 21 | 30.04.2021        | 30.04.2031       | 5,960.00           | -                  |
| VFPL/ NCD / Series 22 | 04.05.2021        | 04.05.2031       | 20,000.00          | -                  |
| VFPL/ NCD / Series 23 | 17.05.2021        | 17.05.2031       | 1,100.00           | -                  |
| VFPL/ NCD / Series 23 | 16.06.2021        | 16.06.2031       | 2,700.00           | -                  |
| VFPL/ NCD / Series 23 | 30.06.2021        | 30.06.2031       | 1,680.00           | -                  |
| VFPL/ NCD / Series 24 | 16.07.2021        | 16.07.2031       | 2,350.00           | -                  |
| VFPL/ NCD / Series 24 | 31.07.2021        | 31.07.2031       | 11,000.00          | -                  |
| VFPL/ NCD / Series 25 | 15.12.2021        | 15.12.2031       | 4,300.00           | -                  |
| VFPL/ NCD / Series 25 | 31.12.2021        | 31.12.2031       | 10,100.00          | -                  |
| VFPL/ NCD / Series 25 | 15.01.2022        | 15.01.2032       | 6,030.00           | -                  |
| VFPL/ NCD / Series 25 | 31.01.2022        | 31.01.2032       | 14,120.00          | -                  |
| VFPL/ NCD / Series 26 | 15.02.2022        | 15.02.2032       | 6,700.00           | -                  |
| VFPL/ NCD / Series 26 | 28.02.2022        | 28.02.2032       | 10,350.00          | -                  |
| VFPL/ NCD / Series 26 | 15.03.2022        | 15.03.2032       | 23,145.00          | -                  |
| VFPL/ NCD / Series 26 | 31.03.2022        | 31.03.2032       | 16,025.00          | -                  |
| <b>Total</b>          |                   |                  | <b>6,12,453.00</b> | <b>5,18,901.00</b> |



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

| 3.3.3 Coupon Rate wise classification of Non Convertible Debentures |                    | (In ₹, '000)       |  |
|---|--------------------|--------------------|--|
| Coupon rate   | March 31,2022      | March 31,2021      |  |
| Coupon Rate- 11.5   | 46,635.00          | 91,175.00          |  |
| Coupon Rate- 12   | 1,45,420.00        | 2,59,759.00        |  |
| Coupon Rate- 12.5   | 2,54,019.00        | 1,43,687.00        |  |
| Coupon Rate- 13   | 1,26,079.00        | 24,280.00          |  |
| Coupon Rate- 13.5   | 20,300.00          | -                  |  |
| Coupon Rate- 15   | 20,000.00          | -                  |  |
| <b>Total</b>  | <b>6,12,453.00</b> | <b>5,18,901.00</b> |  |

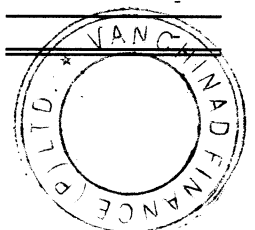
| 3.3.4 Maturity wise classification of Non-Convertible Debentures |                    | (In ₹, '000)       |               |               |
|--|--------------------|--------------------|---------------|---------------|
| From the Balance Sheet date                                      | Non-Current        |                    | Current       |               |
|  | March 31,2022      | March 31,2021      | March 31,2022 | March 31,2021 |
| Repayable on maturity :  |                    |                    |               |               |
| Maturing beyond 5 years  | 6,12,453.00        | 5,18,901.00        | -             | -             |
| Maturing between 3 years to 5 years                              | -                  | -                  | -             | -             |
| Maturing between 1 year to 3 years                               | -                  | -                  | -             | -             |
| Maturing within 1 year   | -                  | -                  | -             | -             |
| <b>Total</b>   | <b>6,12,453.00</b> | <b>5,18,901.00</b> | <b>-</b>      | <b>-</b>      |

## Unsecured Subordinated Debt - Private Placement

| 3.3.5 Series wise classification of Subordinated Debt |                 | (In ₹, '000)       |                    |
|---|-----------------|--------------------|--------------------|
| Particulars   | Maturity Period | March 31,2022      | March 31,2021      |
| Sub Ordinate Debts-Cumulative                         | 2018-2023       | 1,23,196.00        | 1,23,196.00        |
| Sub Ordinate Debts-Cumulative                         | 2019-2024       | 9,880.00           | 9,880.00           |
| Sub Ordinate Debts-Cumulative                         | 2020-2025       | 40,107.00          | 40,107.00          |
| Sub Ordinate Debts-Cumulative                         | 2021-2026       | 33,612.00          | 6,590.00           |
| Sub Ordinate Debts-Cumulative                         | 2022-2027       | 27,812.00          | -                  |
| <b>Total</b>  |                 | <b>2,34,607.00</b> | <b>1,79,773.00</b> |

| 3.3.6 Interest Rate wise classification of Subordinated Debt |            | (In ₹, '000)       |                    |
|--|------------|--------------------|--------------------|
| Particulars  | Interest % | March 31,2022      | March 31,2021      |
| Subordinated Debt-Cumulative                                 | 11.50%     | 1,930.00           | 1,930.00           |
| Subordinated Debt-Cumulative                                 | 12.50%     | 24,982.00          | 13,940.00          |
| Subordinated Debt-Cumulative                                 | 13.50%     | 26,012.00          | 26,012.00          |
| Subordinated Debt-Cumulative                                 | 14.50%     | 10,250.00          | 10,250.00          |
| Subordinated Debt-Cumulative                                 | 15.00%     | 5,300.00           | 5,300.00           |
| Subordinated Debt-Cumulative (Golden Bond)                   | 12.00%     | 47,468.00          | 29,625.00          |
| Subordinate Debts- Monthly                                   | 11.00%     | 1,595.00           | 1,595.00           |
| Subordinate Debts- Monthly                                   | 12.00%     | 49,806.00          | 23,857.00          |
| Subordinate Debts- Monthly                                   | 13.00%     | 51,041.00          | 51,041.00          |
| Subordinate Debts- Monthly                                   | 14.00%     | 16,223.00          | 16,223.00          |
| <b>Total</b>   |            | <b>2,34,607.00</b> | <b>1,79,773.00</b> |

| 3.3.7 Maturity wise classification of Subordinated Debt |                    | (In ₹, '000)       |                    |               |
|---|--------------------|--------------------|--------------------|---------------|
| From the Balance Sheet date                             | Non-Current        |                    | Current            |               |
|   | March 31,2022      | March 31,2021      | March 31,2022      | March 31,2021 |
| Repayable on maturity :                                 |                    |                    |                    |               |
| Maturing beyond 5 years                                 | 50,274.00          | 22,467.00          | -                  | -             |
| Maturing between 3 years to 5 years                     | 51,662.00          | 38,595.00          | -                  | -             |
| Maturing between 1 year to 3 years                      | 31,530.00          | 1,18,711.00        | -                  | -             |
| Maturing within 1 year                                  | -                  | -                  | 1,01,141.00        | -             |
| <b>Total</b>  | <b>1,33,466.00</b> | <b>1,79,773.00</b> | <b>1,01,141.00</b> | <b>-</b>      |



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

| 3.4 Other Long-term liabilities                  |                    | (In ₹, '000)       |  |
|--|--------------------|--------------------|--|
| Particulars                                      | March 31,2022      | March 31,2021      |  |
| (a) Trade Payables                               | -                  | -                  |  |
| (b) Others                                       |                    |                    |  |
| Interest accrued but not due on borrowings       | 24,003.91          | 17,121.15          |  |
| <b>Total</b>                                     | <b>24,003.91</b>   | <b>17,121.15</b>   |  |
| 3.5 Long-term provisions                         |                    | (In ₹, '000)       |  |
| Particulars                                      | March 31,2022      | March 31,2021      |  |
| (a) Provision for Employee Benefits              |                    |                    |  |
| Provision for gratuity                           | 1,476.12           | 866.01             |  |
| (b) Others Provisions                            |                    |                    |  |
| (i) Contingent Provision on Standard Asset       | 4,234.78           | 3,432.11           |  |
| (ii) Contingent Provision on Sub Standard Assets | -                  | 5,430.46           |  |
| (iii) Provision for Restructured Loans           | 21,814.13          | -                  |  |
| <b>Total</b>                                     | <b>27,525.04</b>   | <b>9,728.58</b>    |  |
| 3.6 Short-term borrowings                        |                    | (In ₹, '000)       |  |
| Particulars                                      | March 31,2022      | March 31,2021      |  |
| (a) Loans repayable on demand                    |                    |                    |  |
| From Banks                                       |                    |                    |  |
| Cash credit (secured) [refer note below]         | 1,55,344.01        | 2,38,094.23        |  |
| (b) Deposits                                     |                    |                    |  |
| Unsecured  |                    |                    |  |
| Inter-corporate loans                            | 2,05,000.00        | 1,50,000.00        |  |
| (c) Current maturities of long-term Borrowings   | 1,89,496.12        | 21,480.26          |  |
| <b>Total</b>                                     | <b>5,49,840.13</b> | <b>4,09,574.49</b> |  |

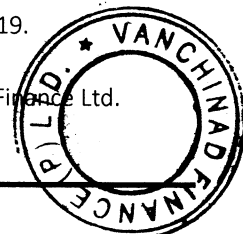
**Nature of Security****Loans repayable on demand from Banks:**

State Bank of India Cash Credit having a limit of Rs.19.50 Cr is secured by way of First Charge of hypothecation of Standard book debts / standard loan receivables, present and future of Chavara, Ayur, Peerumed, Vandithavalam, Oachira, Pothancodu, Neyyattinkara, Attingal, Kilimanoor branches of the company and Second charge by way of hypothecation of remaining book debts/standard loan receivables, current assets etc. ,present and future of the company other than the amount mentioned at branches furnished under above and EM of Commercial Building and residential building.

Syndicate Bank Overdraft (now Canara Bank) having a limit of Rs.2000 lakhs in the previous year is secured by way of Exclusive Charge of hypothecation over specific standard Book Debts/loan receivables present and future of the company with 25% margin and second charge by way of Hypothecation of remaining Standard Book debts/loan receivables, current assets etc. present and future of the company other than mentioned above and Mortgage of Commercial land having an extent of 125.45 cents (50.79 Ares) consists 21.54 cents in Sy.No.457/2, 0.76 cents in Sy.No.393 and 103.15 cents in Sy.No.396/2 and owned by Dr. Griger Cherry Williams with Realisable value of 40.16 crores as per the valuation report of Mr. P. Radhakrishnan dated 23.10.2019.

Further, the loan has been guaranteed by the personal guarantee of Directors and Corporate guarantee of S M L Finance Ltd.

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



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

|  |  | (In ₹, '000)        |                     |
|--|--|---------------------|---------------------|
| 3.7 Other current liabilities  |  | March 31, 2022      | March 31, 2021      |
| Particulars  |  |                     |                     |
| (a) Current maturities of long-term Lease  |  | -                   | -                   |
| (b) Interest accrued but not due on borrowings   |  | 454.19              | -                   |
| (c) Interest accrued and due on borrowings   |  | 2,072.77            | 1,919.69            |
| (d) Other Payables   |  |                     |                     |
| (i) Statutory remittances  |  | 6,618.74            | 2,712.37            |
| (ii) Salaries and Wages Payable  |  | 956.52              | 1,209.59            |
| (iii) Expenses Payable   |  | 307.95              | 452.97              |
| (iv) Others  |  | 9,242.15            | 3,848.43            |
| <b>Total</b>   |  | <b>19,652.32</b>    | <b>10,143.04</b>    |
| Note (i) Statutory dues includes provident fund, employees state insurance, withholding taxes. |  |                     |                     |
| 3.8 Short-term provisions  |  | (In ₹, '000)        |                     |
| Particulars  |  | March 31, 2022      | March 31, 2021      |
| (a) Provision for Employee Benefit   |  |                     |                     |
| (b) Provision - Others   |  |                     |                     |
| Provision for Income Tax   |  | 18,264.19           | 9,500.00            |
| <b>Total</b>   |  | <b>18,264.19</b>    | <b>9,500.00</b>     |
| 3.10. Deferred tax assets  |  | (In ₹, '000)        |                     |
| Particulars  |  | March 31, 2022      | March 31, 2021      |
| (a) Deferred Tax Assets  |  |                     |                     |
| On difference between book balance and tax balance of PPE                                      |  | 1,404.01            | 1,102.80            |
| Others   |  | 6,559.77            | 1,411.92            |
| <b>Total</b>   |  | <b>7,963.78</b>     | <b>2,514.72</b>     |
| 3.11 Long-term loans and advances - Financing Activities                                       |  | (In ₹, '000)        |                     |
| Particulars  |  | March 31, 2022      | March 31, 2021      |
| (A)  |  |                     |                     |
| Loans and Advances   |  |                     |                     |
| Personal Loans   |  | 13,95,985.68        | 6,80,668.53         |
| Business Loans   |  | 631.70              | 3,630.16            |
| Gold Loan  |  | 53,001.28           | 17,194.27           |
| Other Loans  |  | 1,17,450.12         | 5,39,415.68         |
| Micro Housing Loan   |  | 13,324.18           | 27,438.46           |
| <b>Total - (A) Gross Amount</b>  |  | <b>15,80,392.96</b> | <b>12,68,347.09</b> |
| (B)  |  |                     |                     |
| (i) Secured by Securities and Assets   |  | 53,001.28           | 17,194.27           |
| (ii) Covered by Bank/Government guarantees   |  |                     |                     |
| (iii) Unsecured  |  | 15,27,391.69        | 12,51,152.83        |
| <b>Total - (B) Gross Amount</b>  |  | <b>15,80,392.96</b> | <b>12,68,347.09</b> |
| (C)  |  |                     |                     |
| Loans in India   |  |                     |                     |
| (i) Public Sector  |  | 15,80,392.96        | 12,68,347.09        |
| (ii) Others  |  | 15,80,392.96        | 12,68,347.09        |
| <b>Total - (C) Gross Amount</b>  |  | <b>15,80,392.96</b> | <b>12,68,347.09</b> |
| <b>Total</b>   |  | <b>15,80,392.96</b> | <b>12,68,347.09</b> |



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

## 3.11.1 Loans and advances - Financing Activity Maturity Wise (In ₹, '000)

| Particulars                                | Non Current        |                    | Current             |                    |
|--|--------------------|--------------------|---------------------|--------------------|
|  | March 31,2022      | March 31,2021      | March 31,2022       | March 31,2021      |
| <b>(A)</b>                                 |                    |                    |                     |                    |
| Loans                                      |                    |                    |                     |                    |
| Personal Loans                             | 5,15,126.61        | 3,57,997.48        | 8,80,859.07         | 3,22,671.06        |
| Business Loans                             | 21.59              | 131.73             | 610.11              | 3,498.43           |
| Gold Loan                                  | -                  | -                  | 53,001.28           | 17,194.27          |
| Other Loans                                | 3,203.22           | 25,991.57          | 1,14,246.90         | 5,13,424.11        |
| Micro Housing Loan                         | 1,709.44           | 10,373.82          | 11,614.74           | 17,064.63          |
| <b>Total (A) - Gross</b>                   | <b>5,20,060.87</b> | <b>3,94,494.60</b> | <b>10,60,332.10</b> | <b>8,73,852.49</b> |
| <b>(B)</b>                                 |                    |                    |                     |                    |
| (i) Secured by Securities and Assets       | -                  | -                  | 53,001.28           | 17,194.27          |
| (ii) Covered by Bank/Government guarantees | -                  | -                  | -                   | -                  |
| (ii) Unsecured                             | 5,20,060.87        | 3,94,494.60        | 10,07,330.82        | 8,56,658.22        |
| <b>Total (B) - Gross</b>                   | <b>5,20,060.87</b> | <b>3,94,494.60</b> | <b>10,60,332.10</b> | <b>8,73,852.49</b> |
| <b>(C)</b>                                 |                    |                    |                     |                    |
| Loans in India                             |                    |                    |                     |                    |
| (i) Public Sector                          | -                  | -                  | -                   | -                  |
| (ii) Others                                | 5,20,061           | 3,94,495           | 10,60,332.10        | 8,73,852.49        |
| <b>Total (C) - Gross</b>                   | <b>5,20,060.87</b> | <b>3,94,494.60</b> | <b>10,60,332.10</b> | <b>8,73,852.49</b> |
| <b>Total</b>                               | <b>5,20,060.87</b> | <b>3,94,494.60</b> | <b>10,60,332.10</b> | <b>8,73,852.49</b> |

## 3.11.2 Category wise details of Financial Assets (In ₹, '000)

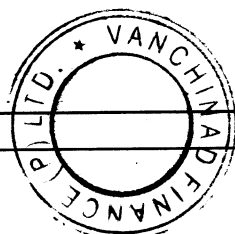
| Particulars        | F.Y. 2021-22        |              |          |                     |
|--------------------|---------------------|--------------|----------|---------------------|
|                    | Standard            | Sub Standard | Doubtful | Total               |
| Personal Loans     | 13,95,985.68        | -            | -        | 13,95,985.68        |
| Business Loans     | 631.70              | -            | -        | 631.70              |
| Gold Loan          | 53,001.28           | -            | -        | 53,001.28           |
| Other Loans        | 1,17,450.12         | -            | -        | 1,17,450.12         |
| Micro Housing Loan | 13,324.18           | -            | -        | 13,324.18           |
| <b>Total</b>       | <b>15,80,392.96</b> | <b>-</b>     | <b>-</b> | <b>15,80,392.96</b> |

## 3.11.3 Category wise details of Financial Assets (In ₹, '000)

| Particulars        | F.Y. 2020-21        |                  |          |                     |
|--------------------|---------------------|------------------|----------|---------------------|
|                    | Standard            | Sub Standard     | Doubtful | Total               |
| Personal Loans     | 6,80,668.53         | -                | -        | 6,80,668.53         |
| Business Loans     | 3,482.51            | 147.65           | -        | 3,630.16            |
| Gold Loan          | 17,194.27           | -                | -        | 17,194.27           |
| Other Loans        | 5,12,559            | 26,856.92        | -        | 5,39,415.68         |
| Micro Housing Loan | 27,438.45           | -                | -        | 27,438.45           |
| <b>Total</b>       | <b>12,41,342.51</b> | <b>27,004.57</b> | <b>-</b> | <b>12,68,347.08</b> |

## 3.12 Long-term loans and advances (In ₹, '000)

| Particulars                               | March 31,2022   | March 31,2021 |
|---|-----------------|---------------|
| Unsecured, considered good                |                 |               |
| (a) Loans and advances to related parties | -               | -             |
| (b) Other Advances                        |                 |               |
| (i) Balances with government authorities  |                 |               |
| Income Tax refund receivable              | 2,037.55        | 719.73        |
| <b>Total</b>                              | <b>2,037.55</b> | <b>719.73</b> |



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

| 3.13 Other non-current assets             |                    | (In ₹, '000)       |  |
|---|--------------------|--------------------|--|
| Particulars                               | March 31, 2022     | March 31, 2021     |  |
| (a) Long Term Trade Receivables           | -                  | -                  |  |
| (b) Security Deposits                     |                    |                    |  |
| Unsecured, considered good                | 6,986.67           | 7,167.42           |  |
| <b>Total</b>                              | <b>6,986.67</b>    | <b>7,167.42</b>    |  |
| 3.14 Cash and cash equivalents            |                    | (In ₹, '000)       |  |
| Particulars                               | March 31, 2022     | March 31, 2021     |  |
| (a) Balance with banks                    |                    |                    |  |
| In Current Accounts                       | 16,556.21          | 22,030.80          |  |
| (b) Cash in Hand                          | 3,741.74           | 678.01             |  |
| <b>Total</b>                              | <b>20,297.95</b>   | <b>22,708.81</b>   |  |
| 3.15 Short-term loans and advances        |                    | (In ₹, '000)       |  |
| Particulars                               | March 31, 2022     | March 31, 2021     |  |
| (a) Loans and advances to related parties |                    |                    |  |
| Unsecured, considered good                | 1,13,520.41        | 1,31,500.00        |  |
| (b) Other Loans and Advance               |                    |                    |  |
| (i) Balances with government authorities  |                    |                    |  |
| TDS, TCS and Advance Income Tax           | 18,789.15          | 11,365.42          |  |
| GST Receivables                           | 35.83              | -                  |  |
| (c) Others                                |                    |                    |  |
| (i) Capital advances                      | 10,000.00          | -                  |  |
| (ii) Other advances                       | 641.13             | 203.45             |  |
| <b>Total</b>                              | <b>1,42,986.52</b> | <b>1,43,068.87</b> |  |
| 3.16 Other Current assets                 |                    | (In ₹, '000)       |  |
| Particulars                               | March 31, 2022     | March 31, 2021     |  |
| (a) Accruals                              |                    |                    |  |
| Interest accrued on loans                 | 14,868.05          | 20,648.39          |  |
| (b) Others                                |                    |                    |  |
| Other receivables                         | 1,052.96           | -                  |  |
| <b>Total</b>                              | <b>15,921.02</b>   | <b>20,648.39</b>   |  |



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

| 3.17 Revenue from operations  |                    | (In ₹, '000)       |  |
|---|--------------------|--------------------|--|
| Particulars   | March 31, 2022     | March 31, 2021     |  |
| Income from Financing activity  | 3,25,616.00        | 3,12,950.40        |  |
| Processing Fee  | 16,890.12          | 7,375.09           |  |
| Documentation charge  | 24,604.47          | 10,717.93          |  |
| <b>Total</b>  | <b>3,67,110.58</b> | <b>3,31,043.42</b> |  |
| 3.18 Other income   |                    | (In ₹, '000)       |  |
| Particulars   | March 31, 2022     | March 31, 2021     |  |
| (a) Interest Income   |                    |                    |  |
| (i) Interest on IC Loans  | 17,704.95          | 17,668.19          |  |
| (ii) Interest on deposits   | 58.85              | -                  |  |
| (b) Other non-operating income (net of expenses directly attributable to such income) |                    |                    |  |
| (i) Interest on income tax refund   | 203.99             | 93.69              |  |
| (ii) Other miscellaneous income   | 23.82              | 509.68             |  |
| (iii) Bad Debt recovered  | 5,429.58           | 832.97             |  |
| (iv) Sundry credits w/off   | 557.91             | -                  |  |
| <b>Total</b>  | <b>23,979.09</b>   | <b>19,104.52</b>   |  |
| 3.19 Employee benefit expenses  |                    | (In ₹, '000)       |  |
| Particulars   | March 31, 2022     | March 31, 2021     |  |
| Salaries and Wages  | 83,602.66          | 80,395.08          |  |
| Contributions to provident and other funds  | 9,767.45           | 7,899.71           |  |
| Staff welfare expenses  | 209.72             | 200.26             |  |
| <b>Total</b>  | <b>93,579.83</b>   | <b>88,495.05</b>   |  |
| 3.20 Finance costs  |                    | (In ₹, '000)       |  |
| Particulars   | March 31, 2022     | March 31, 2021     |  |
| Interest expense on Borrowings  | 1,35,505.54        | 1,35,725.00        |  |
| <b>Total</b>  | <b>1,35,505.54</b> | <b>1,35,725.00</b> |  |
| 3.21 Depreciation and amortization expenses   |                    | (In ₹, '000)       |  |
| Particulars   | March 31, 2022     | March 31, 2021     |  |
| Depreciation  | 2,828.23           | 3,107.33           |  |
| Amortization  | 958.96             | 797.21             |  |
| <b>Total</b>  | <b>3,787.20</b>    | <b>3,904.54</b>    |  |





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

## 3.22 Other Expenses

| Particulars                                | (In ₹, '000)       |                  |
|--|--------------------|------------------|
|  | March 31, 2022     | March 31, 2021   |
| Advertisement                              | 34.65              | 11.10            |
| Audit fees                                 | 300.00             | 250.00           |
| Bank Charges                               | 3,115.18           | 1,867.15         |
| Cleaning charges                           | 810.99             | 1,379.91         |
| Donation (Corporate social responsibility) | 1,037.93           | 1,424.20         |
| Donation                                   | 759.11             | 30.63            |
| Directors remuneration                     | 5,842.50           | 5,314.00         |
| Electricity and Water charges              | 991.10             | 719.63           |
| GST/Kerala Flood Cess paid                 | 52.46              | 17.12            |
| Incentives                                 | 22,747.86          | 11,464.03        |
| Insurance Premium                          | 51.91              | -                |
| Interest, Late Fees & others               | 22.21              | 354.01           |
| Meeting & Training Expenses                | 4,638.74           | 2,509.66         |
| Office Expenses                            | 1,224.34           | 1,404.31         |
| Postage                                    | 599.67             | 482.60           |
| Printing & Stationery                      | 1,990.51           | 2,777.55         |
| Professional and Legal fees                | 1,052.65           | 420.71           |
| Rates & Taxes                              | 190.15             | 244.17           |
| Rent                                       | 10,657.15          | 8,848.48         |
| Repairs & Maintenance                      | 1,411.69           | 1,016.34         |
| ROC Filing fee                             | 13.80              | 26.40            |
| Sitting fees                               | 30.00              | 25.00            |
| Subscription charges                       | 4,914.48           | 4,946.12         |
| Telephone and Internet charges             | 1,060.73           | 913.98           |
| Travelling expenses                        | 3,141.48           | 1,241.49         |
| Vehicle Expenses                           | 75.48              | 19.94            |
| Provisions and Written Offs                | 39,318.79          | 44,579.74        |
| Round Off                                  | -                  | 1.36             |
| <b>Total</b>                               | <b>1,06,085.56</b> | <b>92,289.62</b> |

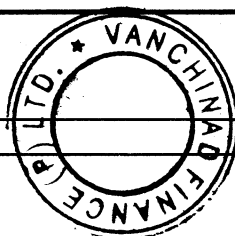
## 3.22.1 Details of CSR expenditure

As per section 135 of the Companies Act, 2013, the Company is required to spend 2% of its average net profit of the immediately three preceding financial years on CSR.

| Particulars  | (In ₹, '000)          |                 |          |
|--|-----------------------|-----------------|----------|
|  | March 31, 2022        | March 31, 2021  |          |
| (a) Gross amount required to be spend by the company during the year | 1,031.80              | 1,420.50        |          |
| Amount spent during the year:  | Spent during the year | Yet to be spent | Total    |
| (i) Construction/acquisition of any asset                            | -                     | -               | -        |
| (ii) On purposes other than (i) above                                | 1,037.93              | -               | 1,037.93 |

## 3.22.2 Payment to Auditors comprises of :

| Particulars                   | (In ₹, '000)   |                |
|-------------------------------|----------------|----------------|
|                               | March 31, 2022 | March 31, 2021 |
| As auditors - statutory audit | 200.00         | 175.00         |
| For taxation matters          | 50.00          | 37.50          |
| For other services            | 50.00          | 37.50          |
| <b>Total</b>                  | <b>300.00</b>  | <b>250.00</b>  |

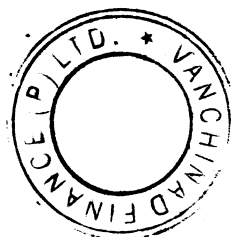


## 3.9 Property Plant and Equipments

| Particulars                         | Furniture and Fittings | Electrical Fittings | Computers       | Motor Vehicle   | Office Equipments | Total            |
|-------------------------------------|------------------------|---------------------|-----------------|-----------------|-------------------|------------------|
| <b>Cost:</b>                        |                        |                     |                 |                 |                   |                  |
| As at April 1, 2021                 | 11,227.46              | 3,234.65            | 3,367.42        | 1,084.64        | 626.33            | 19,540.50        |
| Additions                           | 273.50                 | 21.26               | 158.42          | -               | 7.54              | 460.71           |
| Disposals                           | -                      | -                   | -               | -               | -                 | -                |
| <b>As at March 31, 2022</b>         | <b>11,500.96</b>       | <b>3,255.91</b>     | <b>3,525.84</b> | <b>1,084.64</b> | <b>633.86</b>     | <b>20,001.21</b> |
| <b>Depreciation and impairment:</b> |                        |                     |                 |                 |                   |                  |
| As at April 1, 2021                 | 5,531.41               | 1,626.57            | 2,532.26        | 575.93          | 132.77            | 10,398.93        |
| Additions                           | 1,500.35               | 419.73              | 525.37          | 157.98          | 224.81            | 2,828.23         |
| Disposals                           | -                      | -                   | -               | -               | -                 | -                |
| <b>As at March 31, 2022</b>         | <b>7,031.77</b>        | <b>2,046.29</b>     | <b>3,057.62</b> | <b>733.91</b>   | <b>357.57</b>     | <b>13,227.16</b> |
| <b>Net book value:</b>              |                        |                     |                 |                 |                   |                  |
| As at April 1, 2021                 | 5,696.05               | 1,608.08            | 835.16          | 508.71          | 493.56            | 9,141.57         |
| <b>As at March 31, 2022</b>         | <b>4,469.19</b>        | <b>1,209.62</b>     | <b>468.22</b>   | <b>350.73</b>   | <b>276.29</b>     | <b>6,774.05</b>  |

## 3.9 Intangible Assets

| Particulars                         | Softwares       | Total           |
|-------------------------------------|-----------------|-----------------|
| <b>Cost:</b>                        |                 |                 |
| As at April 1, 2021                 | 3,986.04        | 3,986.04        |
| Additions                           | 808.78          | 808.78          |
| Disposals                           | -               | -               |
| <b>As at March 31, 2022</b>         | <b>4,794.82</b> | <b>4,794.82</b> |
| <b>Depreciation and impairment:</b> |                 |                 |
| As at April 1, 2021                 | 1,489.62        | 1,489.62        |
| Additions                           | 958.96          | 958.96          |
| Disposals                           | -               | -               |
| <b>As at March 31, 2022</b>         | <b>2,448.58</b> | <b>2,448.58</b> |
| <b>Net book value:</b>              |                 |                 |
| As at April 1, 2021                 | 2,496.42        | 2,496.42        |
| <b>As at March 31, 2022</b>         | <b>2,346.24</b> | <b>2,346.24</b> |



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

## 3.22.3 Provisions and Written Offs

| Particulars                      | (In ₹, '000)     |                  |
|----------------------------------|------------------|------------------|
|                                  | March 31,2022    | March 31,2021    |
| Provision for                    |                  |                  |
| Standard assets                  | 802.68           | (25.83)          |
| Non performing assets            | (5,430.46)       | 5,430.46         |
| Provision for Restructured Loans | 21,814.13        | -                |
| Advances & other write-offs      | 5,394.20         | 642.44           |
| Bad debts written off            | 16,738.24        | 38,532.68        |
| <b>Total</b>                     | <b>39,318.79</b> | <b>44,579.74</b> |

## 3.23 Earnings Per Share

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

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

| Particulars   | (in ₹, '000 except equity share and per equity share data) |                |
|---|--|----------------|
|   | March 31,2022  | March 31,2021  |
| Net profit for the year attributable to the equity shareholders | 41,293.79  | 21,982.24      |
| Weighted average number of equity shares                        | 2,20,00,000.00   | 2,20,00,000.00 |
| Par value per share   | 10.00  | 10.00          |
| Earnings per share - Basic and Diluted                          | 1.88   | 1.00           |

## 3.24 Employee benefits

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

## a. Defined contribution plans :

(In ₹, '000)

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

| Particulars  | March 31,2022 | March 31,2021 |
|--|---------------|---------------|
| Employers Contribution to Provident Fund             | 5,267.54      | 4,397.34      |
| Employers Contribution to Employee's State Insurance | 2,474.29      | 2,129.17      |

## b. Defined benefit plans - Gratuity:

## i. Components of employer expense

(In ₹, '000)

| Particulars  | March 31,2022 | March 31,2021 |
|--|---------------|---------------|
| Current service cost   | 557.51        | 384.04        |
| Interest cost  | 163.22        | 164.67        |
| Expected return on plan assets                               | (108.92)      | (61.61)       |
| Actuarial losses/(gains)                                     | 864.32        | 378.91        |
| Total expense recognized in the Statement of Profit and Loss | 1,476.12      | 866.02        |

## ii. Actual contribution and benefit payments for year

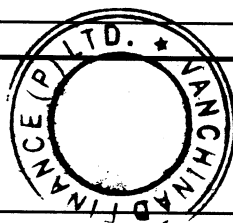
(In ₹, '000)

| Particulars             | March 31,2022 | March 31,2021 |
|-------------------------|---------------|---------------|
| Actual benefit payments | -             | -             |
| Actual contributions    | 866.02        | 1,760.26      |

## iii. Net asset / (liability) recognized in the Balance Sheet

(In ₹, '000)

| Particulars   | March 31,2022 | March 31,2021 |
|---|---------------|---------------|
| Present value of defined benefit obligation             | (4,184.52)    | (2,661.97)    |
| Fair value of plan assets                               | 2,708.39      | 1,795.95      |
| Funded status [Surplus / (Deficit)]                     | (1,476.12)    | (866.02)      |
| Unrecognized past service costs                         | -             | -             |
| Net asset / (liability) recognized in the Balance Sheet | (1,476.12)    | (866.02)      |



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

| iv. Change in defined benefit obligations (DBO) during the year |               | (In ₹, '000)  |  |
|---|---------------|---------------|--|
| Particulars   | March 31,2022 | March 31,2021 |  |
| Present value of DBO at beginning of the year                   | 2,661.97      | 1,760.26      |  |
| Current service cost  | 557.51        | 384.04        |  |
| Interest cost   | 163.22        | 164.67        |  |
| Actuarial (gains) / losses                                      | 919.44        | 353.00        |  |
| Benefits paid   | (117.61)      | -             |  |
| Present value of DBO at the end of the year                     | 4,184.52      | 2,661.97      |  |

| v. Change in fair value of assets during the year |               | (In ₹, '000)  |  |
|---|---------------|---------------|--|
| Particulars                                       | March 31,2022 | March 31,2021 |  |
| Plan assets at beginning of the year              | 1,795.95      | -             |  |
| Expected return on plan assets                    | 108.92        | 61.61         |  |
| Actual company contributions                      | 866.02        | 1,760.26      |  |
| Actuarial gain / (loss)                           | 55.12         | (25.92)       |  |
| Benefits paid                                     | (117.61)      | -             |  |
| Plan assets at the end of the year                | 2,708.39      | 1,795.95      |  |

| vi. Composition of the plan assets is as follows: |               | (In ₹, '000)  |  |
|---|---------------|---------------|--|
| Particulars                                       | March 31,2022 | March 31,2021 |  |
| Government bonds                                  | -             | -             |  |
| PSU bonds   | -             | -             |  |
| Equity mutual funds                               | -             | -             |  |
| Insurer Managed Funds                             | 2,708.39      | 1,795.95      |  |

| vii. Actuarial assumptions    |               | (In ₹, '000)  |  |
|-------------------------------|---------------|---------------|--|
| Particulars                   | March 31,2022 | March 31,2021 |  |
| Discount rate                 | 4.55%         | 8.00%         |  |
| Rate of return on plan assets | 6.27%         | 7.00%         |  |
| Salary escalation             | 5.00%         | 5.00%         |  |

The above disclosures are based on information furnished by the independent actuary and relied upon by the auditors.

The estimates of future Salary increases, considered in the actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors , such as supply and demand in the employment market.

## 3.25.1 Related party transactions

## Names of Related Parties

(A) Holding company SML Finance Limited

## (B) Key Management Personnel

## Designation

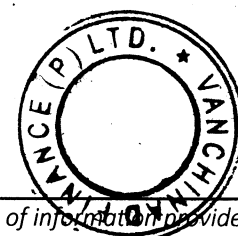
Dr. Griger Cherry Williams Whole-Time Director  
 Sibin Paulson Chief Financial Officer  
 Paul Ranjan Chief Financial Officer (Resigned on 27.10.2020)  
 Naveena P. Thampi Company Secretary

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

B R D Finance Limited B R D Car World Limited SML Motors (represented by C. C. William Verghese)  
 B R D Securities Limited Rajputana Investment and Finance Limited William Verghese  
 B R D Developers and Build Ayur Bethaniya Llp

## (D) Relatives of Key Management Personnel Relation

C. C. William Verghese Parent of WTD  
 Mary Williams Parent of WTD  
 Susanna Isaac Spouse of WTD



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.

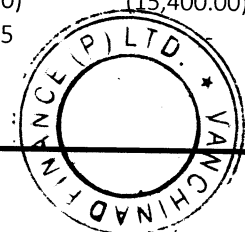
## 3 Notes to the financial statements for the year ended March 31, 2022

## 3.25.2 Related party transactions during the year:

| Particulars  | (In ₹, '000)  |               |                  |               |
|--|---------------|---------------|------------------|---------------|
|  | KMP           |               | Relatives of KMP |               |
|  | March 31,2022 | March 31,2021 | March 31,2022    | March 31,2021 |
| <b>Remuneration</b>  |               |               |                  |               |
| Griger Cherry Williams   | 3,075.00      | 2,725.00      | -                | -             |
| C.C.William Varghese   | -             | -             | 5,400.00         | 5,400.00      |
| Susanna Isaac  | -             | -             | 1,482.50         | 1,381.50      |
| Paul Ranjan  | -             | 100.00        | -                | -             |
| Sibin Paulson  | 614.52        | 147.10        | -                | -             |
| <b>Interest paid on NCD</b>  |               |               |                  |               |
| Griger Cherry Williams   | 491.63        | 468.00        | -                | -             |
| <b>Rent</b>  |               |               |                  |               |
| C.C.William Varghese   | -             | -             | 1,890.00         | 1,867.50      |
| <b>Loans and Advances</b>  |               |               |                  |               |
| SML Motors (Prop .C.C.William Varghese)<br>Granted During the Year | -             | -             | 2,020.41         | 21,500.00     |
| <b>Interest received on Loans</b>                                  |               |               |                  |               |
| SML Motors (Prop .C.C.William Varghese)                            | -             | -             | (3,079.75)       | (1,723.54)    |

## Related party transactions during the year:

| Particulars  | (In ₹, '000)    |               |   |               |
|--|-----------------|---------------|---|---------------|
|  | Holding Company |               | Entities in which KMP / Relatives of KMP can exercise significant influence |               |
|  | March 31,2022   | March 31,2021 | March 31,2022   | March 31,2021 |
| <b>Inter-corporate deposit</b>                       |                 |               |   |               |
| <b>Sml Finance Limited</b>                           |                 |               |   |               |
| Granted During The FY                                | -               | 15,000.00     | -   | -             |
| Received During The FY                               | -               | 15,000.00     | -   | -             |
| <b>B R D Finance Limited</b>                         |                 |               |   |               |
| Accepted During The FY                               | -               | -             | 40,000.00   | -             |
| Repaid During The FY                                 | -               | -             | 1,15,000.00   | 1,00,000.00   |
| <b>Ayur Bethaniya LLP</b>                            |                 |               |   |               |
| Granted During The FY                                | -               | -             | 15,000.00   | -             |
| Received During The FY                               | -               | -             | 35,000.00   | -             |
| <b>B R D Securities Limited</b>                      |                 |               |   |               |
| Accepted During The FY                               | -               | -             | 1,30,000.00   | -             |
| Repaid During The FY                                 | -               | -             | -   | -             |
| <b>Non-convertible Debentures - Privately Placed</b> |                 |               |   |               |
| Rajputana Investment and Finance Limited             | -               | -             | 20,000.00   | -             |
| <b>Interest paid/(received) on ICD</b>               |                 |               |   |               |
| Sml Finance Limited                                  | -               | (544.66)      | -   | -             |
| Brd Finance Limited                                  | -               | -             | 23,427.40   | 31,972.60     |
| Ayur Bethaniya LLP                                   | -               | -             | (14,625.20)   | (15,400.00)   |
| Brd Securities Limited                               | -               | -             | 1,861.65  | -             |
| <b>Dividend</b>                                      |                 |               |   |               |
| Sml Finance Limited                                  | 20,000.00       | 44,000.00     | -   | -             |



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

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

(In ₹, '000)

| Particulars  | KMP           |               | Relatives of KMP |               |
|--|---------------|---------------|------------------|---------------|
|  | March 31,2022 | March 31,2021 | March 31,2022    | March 31,2021 |
| <b>Non-Convertible Debentures - Private Placed</b> |               |               |                  |               |
| Griger Cherry Williams-Whole-Time Director         | 4,600.00      | 3,600.00      | -                | -             |
| <b>Subordinate debt</b>                            |               |               |                  |               |
| Griger Cherry Williams-Whole-Time Director         | 1,500.00      | 500.00        | -                | -             |
| Susanna Isaac                                      | -             | -             | 550.00           | -             |
| SML Motors (Prop .C.C.William Varghese)            | -             | -             | 500.00           | 1,795.00      |
| <b>Interest payable on Subordinate Debt</b>        |               |               |                  |               |
| Griger Cherry Williams-Whole-Time Director         | 163.73        | (64.17)       | -                | -             |
| Susanna Isaac                                      | -             | -             | 1.51             | -             |
| SML Motors   | -             | -             | 40.38            | (230.34)      |

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

(In ₹, '000)

| Particulars  | Holding Company |               | Entities in which KMP / Relatives of KMP can exercise significant influence |               |
|--|-----------------|---------------|---|---------------|
|  | March 31,2022   | March 31,2021 | March 31,2022   | March 31,2021 |
| <b>Non-Convertible Debentures - Private Placed</b> |                 |               |   |               |
| Rajputana Investment and Finance Limited           | -               | -             | 20,000.00   | -             |
| <b>Loans and Advances</b>                          |                 |               |   |               |
| B R D Finance Limited                              | -               | -             | (75,000.00)   | (1,50,000.00) |
| B R D Securities Limited                           | -               | -             | (1,30,000.00)   | -             |
| Ayur Bethaniya LLP                                 | -               | -             | 90,000.00   | 1,10,000.00   |
| SML Motors   | -               | -             | 23,520.41   | 21,500.00     |
| <b>Interest Receivables</b>                        |                 |               |   |               |
| Ayur Bethaniya Llp                                 | -               | -             | -   | 14,617.39     |
| SML Motors   | -               | -             | 811.94  | 236.47        |
| <b>Interest Payables</b>                           |                 |               |   |               |
| Brd Finance Limited                                | -               | -             | (1,222.40)  | (1,919.69)    |

## 3.25.4 Transaction with other executive director

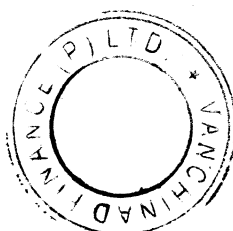
(In ₹, '000)

| Name                      | Nature of Transaction              | March 31,2022 | March 31,2021 |
|---------------------------|------------------------------------|---------------|---------------|
| K. I. Varghese - Director | Remuneration                       | 1,285.00      | 1,207.50      |
| K. I. Varghese - Director | Interest paid on subordinate debts | 2.50          | 2.88          |

## 3.25.5 Transaction with non executive director

(In ₹, '000)

| Name                     | Nature of Transaction | March 31,2022 | March 31,2021 |
|--------------------------|-----------------------|---------------|---------------|
| Abin M. Behanan          | Sitting Fee           | 15.00         | 10.00         |
| Kadapuram Mathews Mathai | Sitting Fee           | 15.00         | 15.00         |



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

## 3.26 Contingent liabilities and capital commitments

| Particulars  | (In ₹, '000)   |                |
|--|----------------|----------------|
|  | March 31, 2022 | March 31, 2021 |
| Contingent Liabilities: -  |                |                |
| Claim not acknowledge as debt by the company   | -              | -              |
| In respect of tax demands where the Company has filed appeal before various authorities  | -              | -              |
| Guarantee and Letter of Credit issued by banker on behalf of the company   | -              | -              |
| Capital commitments :-   |                |                |
| Future cash outflow in respect of above is determinable only on receipt of judgments /decision pending with various forums/authorities. The Company is of the opinion that the above demands are not tenable and expects to succeed in its appeals/defense. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations | -              | -              |

## 3.27 Disclosure with regard to dues to Micro Enterprises and Small Enterprises

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

## 3.28 Additional Regulatory Information

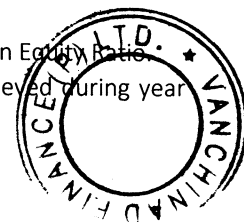
| Particulars                                      | Denominator                              | Numerator                    | Current Period | Previous Period | % of variance* |
|--|--|------------------------------|----------------|-----------------|----------------|
| <b>Liquidity Ratio</b>                           |  |                              |                |                 |                |
| Current Ratio (times)                            | Current assets                           | Current liabilities          | 2.11           | 2.47            | -14.63%        |
| <b>Solvency Ratio</b>                            |  |                              |                |                 |                |
| Debt-Equity Ratio (times)*                       | Total debt                               | Shareholder's equity         | 4.01           | 3.51            | 14.30%         |
| Debt Service Coverage Ratio (times) <sup>1</sup> | Earnings available for debt service      | Debt service                 | 0.80           | 0.62            | 28.84%         |
| <b>Profitability ratio</b>                       |  |                              |                |                 |                |
| Return on Equity Ratio (%) <sup>2</sup>          | Net profits after taxes                  | Average shareholder's equity | 12.60%         | 6.70%           | 88.06%         |
| Net Profit Ratio (%) <sup>3</sup>                | Net profits                              | Revenue                      | 10.56%         | 6.28%           | 68.19%         |
| Return on Capital employed (%)                   | Earning before interest and taxes        | Capital employed             | 11.13%         | 11.61%          | -4.13%         |
| <b>Utilization Ratio<sup>#</sup></b>             |  |                              |                |                 |                |
| Trade Receivables turnover ratio (times)         | Revenue                                  | Average trade Receivable     | -              | -               | -              |
| Inventory turnover ratio (times)                 | Revenue                                  | Average Inventories          | -              | -               | -              |
| Trade payables turnover ratio (times)            | Purchases of services and other expenses | Average trade payables       | -              | -               | -              |
| Net capital turnover ratio (times)               | Revenue                                  | Working capital              | -              | -               | -              |

Explanation for change in the ratios by more than 25%:

- The debt service coverage ratio has improved because of increase in earnings available for debt service and principal repayments of loans during the year. (only principal repayments and interest payments of borrowings other than overdraft and cash credit have been considered for debt service)
- Increase in revenue and higher profitability after tax achieved during the year has led to an increase in Return on Equity Ratio.
- The reason for change in the ratio by more than 25% is mainly due to higher volumes and profitability achieved during year ended March 31, 2022 in comparison with year ended March 31, 2021.

\* Total borrowings excluding the interest payable on borrowings has been considered as Total debt.

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



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

## 3.29 Details of Ratings assigned by credit rating agencies and migration of ratings during the year

The Company has been assigned following credit rating from all rating agencies during the financial year ended March 31, 2022 :

| Instrument                 | Rating Agency | Rating Assigned |               |
|----------------------------|---------------|-----------------|---------------|
|                            |               | March 31,2022   | March 31,2021 |
| Long Term Loan Facilities  | CRISIL        | BB+             | NIL           |
| Long Term Loan Facilities  | Infomeric     | BB+             | BBB-          |
| Short Term Loan Facilities | Infomeric     | A4+             | A3            |

## 3.30 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

The company does not have any joint venture or subsidiary overseas during the year 2021-22 & 2020-21

## 3.31 Draw Down from reserves

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

## 3.32 Percentage of loans granted against collateral of gold jewelry to total assets

| Particulars   | (In ₹, '000)  |               |
|---|---------------|---------------|
|   | March 31,2022 | March 31,2021 |
| Gold Loans granted against collateral of gold jewelry | 53,001.28     | 17,194.27     |
| Total assets of the Company                           | 17,85,706.75  | 14,76,813.02  |
| Percentage of Gold Loans to Total Assets              | 2.97%         | 1.16%         |

## 3.33 Movement of NPAs

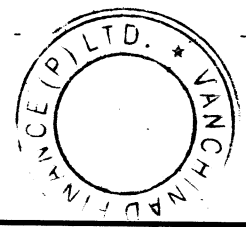
| Particulars   | (In ₹, '000)  |               |
|---|---------------|---------------|
|   | March 31,2022 | March 31,2021 |
| (i) Net NPAs* to Net Advances (%)   | 0.00%         | 1.55%         |
| (ii) Movement of NPAs* (Gross)  |               |               |
| (a) Opening balance   | 27,004.57     | -             |
| (b) Net additions during the year   | (27,004.57)   | 27,004.57     |
| (c) Closing balance   | -             | 27,004.57     |
| (iii) Movement of Net NPAs*   |               |               |
| (a) Opening balance   | 21,574.11     | -             |
| (b) Net additions during the year   | (21,574.11)   | 21,574.11     |
| (c) Closing balance   | -             | 21,574.11     |
| (iv) Movement of provisions for NPAs* (excluding Provisions on Standard Assets) |               |               |
| (a) Opening balance   | 5,430.46      | -             |
| (b) Provisions made during the year   | -             | 5,430.46      |
| (c) Write-off/ write-back of excess provisions                                  | (5,430.46)    | -             |
| (d) Closing balance   | -             | 5,430.46      |

## 3.34 Details of Resolution Plan implemented under The Resolution Framework - 2.0: Resolution for Covid-19 related stress of

Individuals and Small Business as per Circular - RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021

(In ₹, '000 except number data)

| Description  | Individual Borrowers |                |                  |
|--|----------------------|----------------|------------------|
|  | Personal Loans       | Business Loans | Small Businesses |
| (A) Number of requests received for invoking resolution process under Part A                           | 40,128.00            | -              | -                |
| (B) Number of accounts where resolution plan has been implemented under this window                    | 40,128.00            | -              | -                |
| (C) Exposure to accounts mentioned at (B) before implementation of the plan                            | 6,52,453.98          | -              | -                |
| (D) Of (C), aggregate amount of debt that was converted into other securities                          | 49,815.20            | -              | -                |
| (E) Additional funding sanctioned, if any, including between invocation of the plan and implementation | -                    | -              | -                |
| (F) Increase in provisions on account of the implementation of the resolution plan                     | 21,814.13            | -              | -                |





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

## 3.35 Customer complaints

| Particulars   | March 31,2022 | March 31,2021 |
|---|---------------|---------------|
| No. of complaints pending as at the beginning of the year | -             | -             |
| No. of complaints received during the year                | 158           | -             |
| No. of complaints redressed during the year               | 156           | -             |
| No. of complaints pending as at the end of the year       | 2             | -             |

## 3.36 Value of imports calculated on CIF Balance

The company has not imported any goods therefore value of import on CIF basis is Nil during the year 2021-22 (2020-21 – Nil)

## 3.37 Expenditure in Foreign Currency

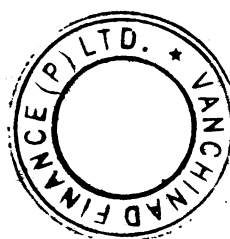
The company does not have any expenditure in Foreign Currency during the year 2021-22 (2020-21 – Nil)

## 3.38 Earning in Foreign Currency

The company does not have any earnings in Foreign Currency during the year 2021-22 (2020-21 – Nil)

**Miscellaneous**

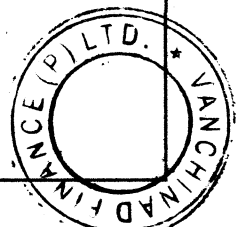
- 3.39 In the opinion of the management , the current assets, loans and advances shall realize the value as shown in the balance sheet, if realized in the normal course of business.
- 3.40 The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies beyond the statutory period.
- 3.41 There has been no significant impact on the operations and financial position of the company on account of the outbreak of COVID-19 pandemic and consequential lock-down restrictions imposed by the Government.
- 3.42 Other notes as required by Schedule III of the Act are either nil or not applicable hence not disclosed.
- 3.43 There are no transactions with struck off companies under section 248 or 560
- 3.44 The company has a single reportable segment i.e. financing which has similar risk & return for the purpose of AS-17 on 'Segment Reporting' notified under the Companies (Accounting Standard) Rules, 2006 as amended. The company operates in a single geographical segment i.e. domestic.
- 3.45 The Company doesn't have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 3.46 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 3.47 The Company has not obtained registration from other financial sector regulators except Reserve Bank of India.
- 3.48 No penalties were imposed by the regulator during the year during the financial year ended Mar 31,2022 (Pre Year: Nil)
- 3.49 Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.



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

(in ₹ lakhs)


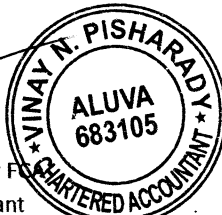
| Sl. No. | Particulars  |  | As at March 31, 2022        |                   |
|---------|--|--|-----------------------------|-------------------|
|         | Liabilities side :   |  | Amount out-standing         | Amount overdue    |
| 1       | Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:                |  |                             |                   |
|         | (a)  | Debentures : Secured<br>: Unsecured<br>(other than falling within the meaning of public deposits)            | 6,015.27<br>200.00          | Nil<br>Nil        |
|         | (b)  | Deferred Credits   | Nil                         | Nil               |
|         | (c)  | Term Loans   | 1,512.90                    | Nil               |
|         | (d)  | Inter-corporate loans and borrowing  | 2,062.22                    | Nil               |
|         | (e)  | Commercial Paper   | Nil                         | Nil               |
|         | (f)  | Public Deposits  | Nil                         | Nil               |
|         | (g)  | Other Loans –<br>Secured Loans<br>Unsecured Loans<br>Subordinated debts                                      | 1,553.44<br>Nil<br>2,499.91 | Nil<br>Nil<br>Nil |
| 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                         | Nil               |
|         | (b)  | In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security | Nil                         | Nil               |
|         | (c)  | Other public deposits  | Nil                         | Nil               |
|         | <b>Assets side :</b>   |  | <b>Amount out-standing</b>  |                   |
| 3       | Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :      |  |                             |                   |
|         | (a)  | Secured  |                             | 555.60            |
|         | (b)  | Unsecured  |                             | 16,532.21         |
| 4       | Break up of Leased Assets and stock on hire and other assets counting towards asset financing 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   |                             | Nil               |
|         | (b)  | Repossessed Assets   |                             | Nil               |
|         | (iii)  | Other loans counting towards asset financing activities  |                             |                   |
|         | (a)  | Loans where assets have been repossessed   |                             | Nil               |
|         | (b)  | Loans other than (a) above   |                             | Nil               |
| 5       | Break-up of Investments  |  |                             |                   |
|         | Current Investments :  |  |                             |                   |
|         | 1  | Quoted :   |                             |                   |
|         | (i)  | Shares   |                             |                   |
|         | (a)  | Equity   |                             | Nil               |
|         | (b)  | Preference   |                             | Nil               |
|         | (ii)   | Debentures and Bonds   |                             | Nil               |
|         | (iii)  | Units of mutual funds  |                             | Nil               |
|         | (iv)   | Government Securities  |                             | Nil               |
|         | (v)  | Others (please specify)  |                             | Nil               |
|         | 2  | Unquoted :   |                             |                   |
|         | (i)  | Shares   |                             |                   |
|         | (a)  | Equity   |                             | Nil               |
|         | (b)  | Preference   |                             | Nil               |
|         | (ii)   | Debentures and Bonds   |                             | Nil               |
|         | (iii)  | Units of mutual funds  |                             | Nil               |
|         | (iv)   | Government Securities  |                             | Nil               |
|         | (v)  | Others (please specify)  |                             | Nil               |



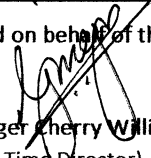
| Long Term investments : |   | Amount out-standing                          |                                |           |
|-------------------------|---|--|--------------------------------|-----------|
| 1                       | Quoted :  |  |                                |           |
| (i)                     | Shares  |  |                                |           |
|                         | (a) Equity  | Nil  |                                |           |
|                         | (b) Preference  | Nil  |                                |           |
| (ii)                    | Debentures and Bonds  | Nil  |                                |           |
| (iii)                   | Units of mutual funds   | Nil  |                                |           |
| (iv)                    | Government Securities   | Nil  |                                |           |
| (v)                     | Others (please specify)   | Nil  |                                |           |
| 2                       | Unquoted :  |  |                                |           |
| (i)                     | Shares  |  |                                |           |
|                         | (a) Equity  | Nil  |                                |           |
|                         | (b) Preference  | Nil  |                                |           |
| (ii)                    | Debentures and Bonds  | Nil  |                                |           |
| (iii)                   | Units of mutual funds   | Nil  |                                |           |
| (iv)                    | Government Securities   | Nil  |                                |           |
| (v)                     | Others (please specify)   | Nil  |                                |           |
| 6                       | Borrower group-wise classification of assets financed as in (3) and (4) above :   |  |                                |           |
| Category                |   | Amount net of provisions                     |                                |           |
|                         |   | Secured                                      | Unsecured                      | Total     |
| 1                       | Related Parties   |  |                                |           |
|                         | (a) Subsidiaries  | -  | -                              | -         |
|                         | (b) Companies in the same group   | -  | -                              | -         |
|                         | (c) Other related parties   | -  | 1,143.32                       | 1,143.32  |
| 2                       | Other than related parties  | 555.60                                       | 15,388.89                      | 15,944.49 |
| 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  | Nil  | Nil                            |           |
|                         | (b) Companies in the same group   | Nil  | Nil                            |           |
|                         | (c) Other related parties   | Nil  | Nil                            |           |
| 2                       | Other than related parties  | Nil  | Nil                            |           |
| Total                   |   | -  | -                              |           |
| 8                       | Other information   |  |                                |           |
| Particulars             |   | Amount                                       |                                |           |
| (i)                     | Gross Non-Performing Assets*  |  |                                |           |
|                         | (a) Related parties   | Nil  |                                |           |
|                         | (b) Other than related parties  | Nil  |                                |           |
| (ii)                    | Net Non-Performing Assets*  |  |                                |           |
|                         | (a) Related parties   | Nil  |                                |           |
|                         | (b) Other than related parties  | Nil  |                                |           |
| (iii)                   | Assets acquired in satisfaction of debt   | -  |                                |           |

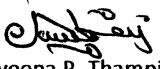
In terms of our report attached.

For and on behalf of the Board of Directors

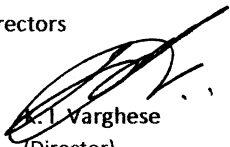
  
  
 Vinay N. Pisharady FCA  
 Chartered Accountant  
 Membership No: 233/43


Place: Aluva  
 Date: 11.08.2022

  
 Dr. Griger Cherry Williams  
 (Whole Time Director)  
 DIN: 00145586

  
 Naveena P. Thampi  
 (Company Secretary)

Place: Ernakulam  
 Date: 11.08.2022

  
 A. I. Varghese  
 (Director)  
 DIN: 08291568

  
 Sibi Paulson  
 (Chief Financial Officer)

