

**Vivardhana Microfinance Limited**  
**Balance Sheet as at**

Particulars	Note	Amount in ₹	
		31 March 2019	31 March 2018
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	5,00,00,000	5,00,00,000
Reserves and surplus	2.2	44,07,710	7,60,501
<b>Non current liabilities</b>			
Long term borrowings	2.3	1,14,00,000	-
Long term provisions	2.4	2,89,073	3,600
<b>Current liabilities</b>			
Trade Payables (includes total dues of Micro and Small enterprises ₹ Nil/- (₹ Nil/-) Refer Note No. 3.14)	2.5	4,17,795	1,33,720
Other current liabilities	2.6	9,01,312	5,350
Short term provisions	2.7	5,59,705	3,600
<b>Total</b>		<b>6,79,75,595</b>	<b>5,09,06,771</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment			
Tangible assets	2.8	2,24,065	1,10,890
Deferred tax assets (net)	2.9	2,22,185	1,04,216
Long term receivables under financing activities	2.10 (a)	2,22,74,919	3,60,000
Long term loans and advances	2.11	1,39,913	4,633
		2,28,61,082	5,79,739
<b>Current assets</b>			
Cash and cash equivalents	2.12	5,13,978	4,98,40,815
Short term receivables under financing activities	2.10 (b)	4,35,87,492	3,80,000
Short term loans & advances	2.13	4,349	-
Other current assets	2.14	10,08,694	1,26,217
		4,51,14,513	5,03,27,032
		<b>6,79,75,595</b>	<b>5,09,06,771</b>

See accompanying notes forming part of the financial statements

1, 2 & 3

In terms of our report attached

For Sundar Sridhar & Sridhar  
Chartered Accountants

Firm Registration Number: 0042015

S. Sridhar  
Partner

Membership Number: 025504

Place: Chennai

Date: July 05, 2019

FOR VIVARDHANA MICROFINANCE LIMITED

Company Secretary



For and on behalf of the Board of Directors

Eswaran Natesa Sastry  
Managing Director  
DIN: 03519077

Karuppasamy Singam  
Director  
DIN: 03632212

**Vivardhana Microfinance Limited**  
**Statement of Profit and Loss**

Particulars	Note	Amount in ₹	
		For the year ended 31 March 19	For the period ended 31 March 18
<b>Income</b>			
Revenue from operations	2.15	1,22,90,623	18,73,931
<b>Total revenue</b>		<b>1,22,90,623</b>	<b>18,73,931</b>
<b>Expenses</b>			
Employee benefits expense	2.16	33,04,261	51,645
Finance Costs	2.17	3,85,404	-
Depreciation	2.7	62,517	5,737
Other expenses	2.18	36,26,038	7,89,264
<b>Total expenses</b>		<b>73,58,220</b>	<b>8,46,646</b>
<b>Profit / (Loss) before tax</b>		<b>49,32,403</b>	<b>10,27,285</b>
Tax expense:			
Current tax		13,98,000	3,71,000
Deferred tax charge/ (credit)		(1,17,969)	(1,04,216)
Short/(Excess) provision for Income Tax		5,163	-
<b>Net Profit / (Loss) after tax for the year/period</b>		<b>36,47,209</b>	<b>7,60,501</b>
Earnings per equity share:			
Basic (in ₹)		0.73	0.21
Weighted average number of equity shares		50,00,000	37,04,110
Nominal value per share (in ₹)		10.00	10.00
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Sundar Srinil & Sridhar  
Chartered Accountants  
Firm Registration Number 0042015

S. Sridhar  
Partner  
Membership Number: 025504

Place: Chennai  
Date: July 05, 2019

For VIVARDHANA MICROFINANCE LIMITED  
  
Company Secretary



For and on behalf of the Board of Directors

  
Eswaran Natasa Sastry  
Managing Director  
DIN: 03519077

  
Karuppasamy Singam  
Director  
DIN: 03632212

**Vivardhana Microfinance Limited**  
**Cash Flow Statement**

Particulars	Amount in ₹	
	For the year ended 31 March 2019	For the period ended 31 March 18
<b>A) Cash Flow From Operating Activities</b>		
Net profit before tax	49,32,403	10,27,285
<b>Adjustments for</b>		
Depreciation	62,517	5,737
Provisions against standard loans	6,51,424	7,200
<b>Operating profits before working capital adjustments</b>	<b>56,46,344</b>	<b>10,40,222</b>
Working capital adjustments		
(Increase)/Decrease in receivables under financing activity	(6,51,42,411)	(7,20,000)
(Increase)/Decrease in loans and advances	(64,349)	-
(Increase)/Decrease in other assets	(8,82,477)	(1,26,217)
Increase/ (Decrease) in trade payable	2,84,075	1,33,720
Increase/ (Decrease) in provisions and other liabilities	10,86,116	5,350
<b>Net cash from operating activities</b>	<b>(5,90,72,702)</b>	<b>3,33,075</b>
Direct taxes paid	(14,78,443)	(3,75,633)
<b>Net Cash From/(Used In) Operating Activities</b>	<b>(6,05,51,145)</b>	<b>(42,558)</b>
<b>B) Cash Flow From Investing Activities</b>		
Purchase of fixed assets	(1,75,692)	(1,16,627)
<b>Net Cash From /(Used In) Investing Activities</b>	<b>(1,75,692)</b>	<b>(1,16,627)</b>
<b>C) Cash Flow From Financing Activities</b>		
Proceeds from issue of share capital	-	5,00,00,000
Proceeds from issue of secured non-convertible debentures	1,14,00,000	-
<b>Net Cash From/(Used In) Financing Activities</b>	<b>1,14,00,000</b>	<b>5,00,00,000</b>
<b>Net Increase/(Decrease) In Cash And Cash Equivalents</b>	<b>(4,93,26,837)</b>	<b>4,98,40,815</b>
Cash and cash equivalents at the beginning of the year/period	4,98,40,815	-
<b>Cash and cash equivalents at the end of the year/period</b>	<b>5,13,978</b>	<b>4,98,40,815</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For Sundar Sridhar & Sridhar  
Chartered Accountants  
Firm Registration Number: 0042015

S. Sridhar  
Partner  
Membership Number: 025504


Place: Chennai  
Date: July 05, 2019

For VIVARDHANA MICROFINANCE LIMITED

  
Company Secretary



For and on behalf of the Board of Directors

  
Eswaran Natesa Sastry  
Managing Director  
DIN: 03519077

  
Karuppasamy Singam  
Director  
DIN: 03632212

## Vivardhana Microfinance Limited

### Notes forming part of the Financial Statements for the year ended March 31, 2019

#### Business overview

Vivardhana Microfinance Limited ("the Company") is a public limited company domiciled in India and incorporated under the provision of Companies Act, 2013 on 19<sup>th</sup> May 2017. The company is registered with Reserve Bank of India as a Non-Banking Financial (Non-deposit Accepting or Holding) Company- Micro Finance Institution effective 12<sup>th</sup> of February 2018.

The Company is primarily engaged in directly providing collateral free micro credit facilities exclusively to poor men and women in India either through Self-help Group model (SHG)/Joint Liability Group model (JLG) or individually for the purpose of agricultural development, micro industrial development, habitat development etc.

#### 1.0 Significant accounting policies

##### 1.1 Basis for preparation of financial statements

The financial statements have been prepared and presented in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply with the mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, and the Companies (Accounting Standards) Amendment Rules, 2016 along with the relevant provisions of the Act and the provisions of the Reserve Bank of India ("RBI"), to the extent applicable, as per Master Directions - Non Banking Finance Company ("NBFC") - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Notification No. DNBR. PD. 007/03.10.119/2016-17 dated September 01, 2016, as amended from time to time and Non Banking Financial Company – Micro Finance Institution (Reserve Bank) Directions, 2011 issued vide Notification DNBS. PD.No.234 dated December 02, 2011, as amended from time to time. The financial statements have been prepared on accrual basis under the historical cost convention except interest on loans classified as non-performing assets, which is accounted for on realization basis.

##### 1.2 Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which requires management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in future, actual results ultimately may differ from those estimates. Any revision to accounting estimates is recognised prospectively in future periods.

##### 1.3 Current – Non-current classification

All assets and liabilities are classified into current and non-current.

**Assets:** An asset is classified as current when it satisfies any of the following criteria:





## Vivardhana Microfinance Limited

### Notes forming part of the Financial Statements for the year ended March 31, 2019

- i) It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- ii) It is held primarily for the purpose of being traded; or
- iii) It is expected to be realized within 12 months after the reporting date.

Current Assets include the current portion of non-current financial assets. All other assets are classified as non-current

**Liabilities:** A liability is classified as current when it satisfies any of the following criteria:

- i) It is expected to be settled in the company's normal operating cycle;
- ii) It is held primarily for the purpose of being traded;
- iii) It is due to be settled within 12 months after the reporting date; or
- iv) The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current Liabilities include the current portion of non current financial liabilities. All Other Liabilities are classified as non-current.

#### 1.4 Cash flow statement

Cash flows are reported using the Indirect Method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated. The Cash flow statement forms part of the financial statements.

#### 1.5 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

#### 1.6 Property, plant and equipment

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.



## Vivardhana Microfinance Limited

### Notes forming part of the Financial Statements for the year ended March 31, 2019

#### 1.7 Depreciation

Fixed assets are intended to be depreciated on Straight Line Method (SLM) over the useful life of the assets as prescribed under Schedule II to the Companies Act, 2013. For the assets acquired/disposed during the year, depreciation/amortization has been charged on pro-rata basis.

#### 1.8 Classification of loan portfolio:

Loan portfolio is classified into 'Performing and non-performing' assets in accordance with Non-Banking Financial Company- Micro Finance Institutions (NBFC-MFIs) Directions issued by RBI as mentioned below:

i) Standard Assets means the asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.

ii) Non-performing asset means asset for which, interest / principal payment has remained overdue for a period of 90 days or more.

"Overdue" refers to interest and/or instalment remaining unpaid from the day it became receivable.

#### 1.9 Provisioning norms for loan portfolio:

The aggregate loan provision of the Company is not less than higher of:

i) 1% of the outstanding loan portfolio.

ii) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

The above mentioned provisioning policy is as per the provision policy prescribed in the NBFC-MFI Directions.

#### 1.10 Revenue recognition

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

a) Interest income on loan portfolio is recognized on accrual basis taking into account amount outstanding and rate applicable except in the case of non-performing assets where it is recognized, upon realization, as per the prudential norms of RBI and any such income recognised before the asset became non-performing and remaining unrealised is reversed.

b) Loan Processing fee received upfront are considered to be accrued at the time of entering in to binding agreement upon its receipt and are recognized accordingly.

c) Interest on term deposits has been accrued on the time proportionate basis, using the underlying interest rate.

d) Other income is recognised on an accrual basis.



## Vivardhana Microfinance Limited

### Notes forming part of the Financial Statements for the year ended March 31, 2019

#### 1.11 Accounting for taxes on income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Income taxes are accrued in the same year that the related revenue and expenses arise. A provision is made for Income Tax, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward of losses only to the extent that reasonable certainty exist that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

#### 1.12 Impairment of assets

The Company has put all its significant fixed assets to an impairment test at the balance sheet date. If there are any indications that an asset may be impaired based on internal/external factors, the management determines the recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) as, the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount.

#### 1.13 Provisions, contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. 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.

#### 1.14 Accounting for Employee Benefits

##### a) Defined benefit plans





**Vivardhana Microfinance Limited**

**Notes forming part of the Financial Statements for the year ended March 31, 2019**

The Company accrues for liability towards Gratuity which is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit Method.

Actuarial gains and losses are recognized in the statement of profit and loss in the period in which they occur.

**b) Defined contribution plans**

The Company's contribution to employee state insurance scheme is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

**1.15 Earnings per share**

Basic Earnings Per Share are calculated by dividing the net profit/(loss) after tax for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1.16 Accounting of expenditure**

Expenses are accounted on an accrual basis. Provision has been made for all known losses and liabilities on the date of the financial statements.





**Vivardhana Microfinance Limited**

**Notes forming part of the Financial Statements for the year ended March 31, 2019**

**Note 2.1**

**Share capital**

**Note 2.1(i)**

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	Amount in ₹	Number	Amount in ₹
<b>Authorised</b>				
<b>Equity share capital</b>				
Equity shares of ₹10/- each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
<b>Issued</b>				
<b>Equity share capital</b>				
Equity shares of ₹10/- each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
<b>Subscribed &amp; paid up</b>				
Equity shares of ₹10/- each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
	<b>50,00,000</b>	<b>5,00,00,000</b>	<b>50,00,000</b>	<b>5,00,00,000</b>

**Note 2.1(ii)**

Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year/period is as given below

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	Amount in ₹	Number	Amount in ₹
<b>Equity share capital</b>				
Shares outstanding at the beginning of the year/period	50,00,000	5,00,00,000	-	-
Shares issued during the year/period	-	-	50,00,000	5,00,00,000
<b>Shares outstanding at the end of the year/period</b>	<b>50,00,000</b>	<b>5,00,00,000</b>	<b>50,00,000</b>	<b>5,00,00,000</b>

**Note No.2.1 (iii):**

The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

- The company has only one class of equity shares having a par value of ₹10/- each.
- Each holder of the equity share, as reflected in the records of the company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.
- For the year ended 31.3.2019, the Board of Directors have not proposed any dividend (PY – ₹ Nil).



**Vivardhana Microfinance Limited**

**Notes forming part of the Financial Statements for the year ended March 31, 2019**

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

**Note No.2.1.1(iv)**

**Equity Shareholder holding more than 5 percent of equity shares along with the number of equity shares held at the beginning and at the end of the year/period is as given below:**

Name of shareholder	As at 31 March 2019		As at 31 March 2018	
	Number	%	Number	%
V Ravichandran	16,63,400	33.27%	16,63,400	33.27%
Ravichandran Sudha	11,79,000	23.58%	11,79,000	23.58%
C Srikanth	5,00,000	10.00%	5,00,000	10.00%
Eswaran Natesan Sastry	5,00,000	10.00%	5,00,000	10.00%

**Note 2.2**

**Reserves & surplus**

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
<b>Statutory reserves</b>		
Opening Balance	1,52,100	-
Add: Transfer during the year/period (Refer Note below)	7,29,442	1,52,100
Closing balance (A)	8,81,542	1,52,100
<b>Surplus/(Deficit) in statement of profit and loss</b>		
Opening Balance	6,08,401	-
Add: Net profit after tax transferred from statement of profit & loss	36,47,209	7,60,501
Less : Amount transferred to statutory reserves	(7,29,442)	(1,52,100)
Closing balance (B)	35,26,168	6,08,401
<b>Balance carried to balance sheet (A+B)</b>	<b>44,07,710</b>	<b>7,60,501</b>

Pursuant to the provisions of Section 45(IC) of Reserve Bank of India Act, 1934, the Company has transferred ₹ 7,29,442 (₹ 1,52,100) towards Statutory Reserve Fund.



**Vivardhana Microfinance Limited**  
**Notes forming part of the Financial Statements for the year ended March 31, 2019**

**Note 2.3**

**Long term Borrowings**

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
<b>Secured loans</b>		
Non convertible debentures (Refer Note below)	1,14,00,000	-
	<b>1,14,00,000</b>	-

Particulars	Security	Rate of Interest	Terms of Repayment	As at 31 March 2019	As at 31 March 2018
100 (PY - Nil) Secured, unrated, unlisted, redeemable, transferable, non-convertible debentures of face value of ₹50,000/- each	Secured by way of hypothecation of book debts	In the range of 11.50% to 12% p.a	Tenure 24 Months Redeemable on October 21, 2020 The Company may redeem the debentures pro-rata, in part but not in full, by paying a premature redemption premium of 2% on the outstanding Principal Amounts, subject to terms and conditions.	50,00,000	-
128 (PY - Nil) Secured, unrated, unlisted, redeemable, transferable, non-convertible debentures of face value of ₹50,000/- each	Secured by way of hypothecation of book debts	In the range of 11.50% to 12.25% p.a	Tenure 30 Months Redeemable on 06/08/2021 The Company may redeem the debentures pro-rata, in part but not in full, by paying a premature redemption premium of 2% on the outstanding Principal Amounts, subject to terms and conditions.	64,00,000	-



**Vivardhana Microfinance Limited**  
**Notes forming part of the Financial Statements for the year ended March 31, 2019**

**Note 2.4**  
**Long term provisions**

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
Provision against standard loan portfolio	2,22,749	3,600
Provision for employee benefits	66,324	-
	<b>2,89,073</b>	<b>3,600</b>

**Note 2.5**  
**Trade Payables**

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
Payable towards service received	4,17,795	1,33,720
	<b>4,17,795</b>	<b>1,33,720</b>

**Note 2.6**  
**Other current liabilities**

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
Statutory payables	71,170	5,350
Interest accrued but not due on debentures	2,50,669	-
Capital Creditors	1,995	-
Others	5,77,478	-
	<b>9,01,312</b>	<b>5,350</b>

**Note 2.7**  
**Short term provisions**

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
Provision against standard loan portfolio	4,35,875	3,600
Provision for employee benefits – Gratuity	1,23,830	-
	<b>5,59,705</b>	<b>3,600</b>





**Vivardhana Microfinance Limited**  
**Notes forming part of the Financial Statements for the year ended March 31, 2019**

**Note 2.8**  
**Property, Plant and Equipment**

Amount in ₹

S.No.	Particulars	Gross block				Accumulated depreciation				Net block	
		As at 1st April 2018	Additions	Deletions	As at 31st March 2019	As at 1st April 2018	Depreciation for the year	Deletions	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
	<b>Tangible assets - Owned</b>										
1	Furniture & Fixtures	-	83,462	-	83,462	-	7,185	-	7,185	76,277	-
2	Computers and its components	1,16,627	92,230	-	2,08,857	5,737	55,332	-	61,069	1,47,788	1,10,890
	<b>Grand Total</b>	<b>1,16,627</b>	<b>1,75,692</b>	<b>-</b>	<b>2,92,319</b>	<b>5,737</b>	<b>62,517</b>	<b>-</b>	<b>68,254</b>	<b>2,24,065</b>	<b>1,10,890</b>
	<b>Previous period</b>	<b>-</b>	<b>1,16,627</b>	<b>-</b>	<b>1,16,627</b>	<b>-</b>	<b>5,737</b>	<b>-</b>	<b>5,737</b>	<b>1,10,890</b>	<b>-</b>



Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended March 31, 2019

**Note 2.9**

**Deferred tax asset/(liability)**

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
On preliminary expenses	82,351	1,08,745
On fixed assets	(7,197)	(4,529)
On provision for standard assets	97,591	-
On employee benefits	49,440	-
	<b>2,22,185</b>	<b>1,04,216</b>

**Note 2.10**

**Receivables under financing activities**

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
<b>Unsecured and considered good</b>		
Microfinance loans	6,58,17,065	7,20,000
Business loans	45,346	-
	<b>6,58,62,411</b>	<b>7,20,000</b>
Of the above:		
<b>A) Non-current</b> (Refer Note 2.4 for Provision for Receivables under Financing Activities)	2,22,74,919	3,60,000
<b>B) Current</b> (Refer Note 2.7 for Provision for Receivables under Financing Activities)	4,35,87,492	3,60,000
	<b>6,58,62,411</b>	<b>7,20,000</b>
	<b>6,58,62,411</b>	<b>7,20,000</b>

**Note 2.11**

**Long term loans & advances**

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
<b>Unsecured, considered good</b>		
Security Deposits	60,000	-
Advance tax & TDS receivables (net of provision for income taxes of ₹13,98,000(PY ₹3,71,000))	79,913	4,633
	<b>1,39,913</b>	<b>4,633</b>



Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended March 31, 2019

**Note 2.12**

**Cash and cash equivalents**

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
Cash on hand	8,443	2,085
Balance with bank in		
- Current account	5,05,535	21,46,363
- Fixed deposit with original maturity of less than 3 months	-	4,76,92,367
	<b>5,13,978</b>	<b>4,98,40,815</b>

**Note 2.13**

**Short term loans & advances**

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
<b>Unsecured, considered good</b>		
Duties and taxes receivable	4,349	-
	<b>4,349</b>	<b>-</b>

**Note 2.14**

**Other current assets**

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
Interest receivable from fixed deposits	-	1,18,805
Interest accrued but not due on loan portfolio	6,98,065	2,012
Prepaid expense	2,09,070	5,400
Others	1,01,559	-
	<b>10,08,694</b>	<b>1,26,217</b>



Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended March 31, 2019

**Note 2.15**

**Revenue from operations**

Particulars	For the year ended 31 March 2019	For the period ended 31 March 2018
	₹	₹
Interest income	1,08,99,470	2,012
Loan processing fees	8,61,950	15,600
<b>Other Operating Income</b>		
Interest on fixed deposits with banks	4,91,320	18,56,319
Others	37,883	-
	<b>1,22,90,623</b>	<b>18,73,931</b>

**Note 2.16**

**Employee benefits expense**

Particulars	For the year ended 31 March 2019	For the period ended 31 March 2018
	₹	₹
Salaries & allowances	31,81,970	51,645
Contribution to employee benefit funds	1,18,248	-
Staff welfare	4,043	-
	<b>33,04,261</b>	<b>51,645</b>

**Note 2.17**

**Finance Costs**

Particulars	For the year ended 31 March 2019	For the period ended 31 March 2018
	₹	₹
Interest on debentures	3,65,404	-
	<b>3,65,404</b>	<b>-</b>





Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note 2.18

Other expenses

Particulars	For the year ended 31 March 2019	For the period ended 31 March 2018
	₹	₹
Audit fees	75,000	59,000
Professional charges	8,60,525	27,130
Director Sitting Fees	52,500	-
Travelling expenses	6,07,638	63,318
Preliminary expenses	-	5,27,890
Subscription and membership fees	2,58,572	12,300
Rent	3,30,000	-
Office Maintenance	26,926	16,550
Contingent Provision for Standard Receivables Under Financing Activities (Net)	6,51,424	7,200
Rates and Taxes	1,61,165	7,800
Information Technology expenses	3,95,454	35,341
Miscellaneous expenses	2,06,834	32,735
	<b>36,26,038</b>	<b>7,89,264</b>



Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended March 31, 2019

3.0. Other disclosure

3.1. Related party disclosure

Name of related parties and nature of their relationships are as follows:

Relationship	Name of the Party
Key Management Personnel (KMP)	a) Eswaran Natesa Sastry - Managing Director b) Sudha Ravichandran - Director c) Ramakrishnan Natarajan - Director d) Karuppasamy Singam - Director e) Ramadoss Krishnan - Director

Related party transactions

Nature of Transaction	Amount in ₹	
	2018-19	2017-18
<b>a) Transactions during the year/period</b>		
Sitting Fees	52,500	-
Reimbursement of expenses	4,07,642	6,21,774
Remuneration Paid	2,70,000	-
<b>b) Balance as at the Balance Sheet date</b>		
Reimbursement of expenses – Payable	1,995	1,995

3.2. Earnings per share

Particulars	Amount in ₹	
	For the year ended 31 March 2019	For the Period ended 31 March 2018
Profit/(Loss) available for Equity shareholders (in ₹)	36,47,209	7,60,501
Weighted Average No. of Shares	50,00,000	37,04,110
<b>Earnings/(Loss) Per Share in ₹ (FV of ₹10) – Annualized</b>	<b>0.73</b>	<b>0.21</b>

3.3. Contingent liabilities, capital and other commitments

- a) Contingent liabilities: ₹ Nil (Nil)  
b) Capital and other commitments: ₹ Nil (Nil)



Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended March 31, 2019

3.4. Payment to auditors

Particulars	Amount in ₹	
	For the year ended 31 March 2019	For the period ended 31 March 2018
For Audit	75,000	50,000
For Others	32,500	3,500
GST	13,050	9,630
	<b>1,20,550</b>	<b>63,130</b>

3.5. Disclosure Details as required in terms of Paragraph 18 of Master Directions Non- Banking Financial Company – Non Systematically Important Non Deposit taking Company (Reserve Bank) Directions, 2016

Particulars	Amount in ₹	
	Current Period	
Liabilities side	Amount outstanding	Amount overdue
<b>(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :</b>		
(a) Debentures : Secured	-	-
: Unsecured (other than falling within the meaning of public deposits)	1,16,50,669	-
(b) Deferred credits	-	-
(c) Term loans	-	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial paper	-	-
(f) Public deposits	-	-
(g) Other loans	-	-
<b>(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>		
(a) In the form of unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-



Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended March 31, 2019

Assets side		Amount outstanding
(3)	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>	
	(a) Secured	-
	(b) Unsecured	6,58,62,411
(4)	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	-
	(b) Operating lease	-
	(ii) Stock on hire including hire charges under sundry debtors :	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-
(5)	<b>Break-up of Investments</b>	
	<b>Current Investments</b>	
	1. Quoted	
	(i) Shares	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-
	2. Unquoted	
	(i) Shares	
	(a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-
	Long Term investments	
	1. Quoted	





Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended March 31, 2019

(i) Share	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-
2. Unquoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-

(6) Borrower group-wise classification of assets financed as in (3) and (4) above :			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	6,52,03,787	6,52,03,787
<b>Total</b>	-	<b>6,52,03,787</b>	<b>6,52,03,787</b>

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :		
Category	Market value / Break up or fair value or NAV	Book value (net of provisions)
1. Related parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	-	-
<b>Total</b>	-	-



Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended March 31, 2019

(8)	Other information	Amount
	Particulars	
	(i) Gross non-performing assets	
	(a) Related parties	-
	(b) Other than related parties	-
	(ii) Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	-
	(iii) Assets acquired in satisfaction of debt	-

**3.6. Provision For outstanding loan portfolio:**

The provision for outstanding loan portfolio as at 31 March 2019 has been calculated higher of a) 1% on the total loan portfolio outstanding as at the balance sheet date or b) 50% of aggregate loan installments which are overdue for more than 90 days but less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more.

Particulars	As at 31 March 2019	As at 31 March 2018
Loans – Standard	6,58,62,411	7,20,000
Loans - Non Performing Assets	-	-
<b>Total loans</b>	<b>6,58,62,411</b>	<b>7,20,000</b>
Provision on loan		
1% on total loans(B)	6,58,624	7,200
Aggregate of		
(i) 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days	-	-
(ii) 100% of the aggregate loan installments which are overdue for 180 days or more.	-	-
Total (C)	-	-
<b>Higher of (C) or (D)</b>	<b>6,58,624</b>	<b>7,200</b>
Opening Provision	7,200	-
Additions/(reversal)	6,51,424	7,200
<b>Closing Provision</b>	<b>6,58,624</b>	<b>7,200</b>

**3.7. Capital adequacy ratio**

The Company's capital adequacy ratio consisting of Tier I and Tier II capital is not less than 15% of its aggregate risk weighted assets and the total of Tier II capital is not exceeding 100% of its Tier I capital during the year at any point.



## Vivardhana Microfinance Limited

### Notes forming part of the Financial Statements for the year ended March 31, 2019

#### 3.8. Qualifying assets

The Company has maintained the qualifying asset percentage as at 31 March 2019, as specified in the RBI Master Circular- Non-Banking Financial Company-Micro Finance Institutions (NBFC-MFIs) - Directions RBI/2015-16/49 DNBR .(PD) CC. No 047/03.10.119/2015-16 dated 1st July 2015.

Particulars	Amount in ₹	
	As at 31 March 2019	As at 31 March 2018
Qualifying assets	6,58,17,065	7,20,000
Net assets	6,74,12,177	8,38,302
% of Qualifying assets to net assets	97.63%	85.89%

#### 3.9. Information on Net Interest Margin for the year ended March 31, 2019:

- |                                        |   |        |
|----------------------------------------|---|--------|
| a) Average Lending rate                | - | 24%    |
| b) Average effective cost of borrowing | - | 12.34% |
| c) Net Interest margin (a-b)           | - | 11.66% |

The Company has calculated above average lending rate and effective cost of borrowing as per pricing of credit guidelines prescribed in master direction issued by Reserve Bank of India no. DNBR.PD. 008/03.10119/2016-17.

3.10. Pursuant to Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company shall have a whole time Company Secretary. The company is in the process of appointing a whole time Company Secretary.

3.11. Value of imports calculated on C.I.F basis by the company during the year/period in respect of –

- Raw materials - ₹ Nil (₹Nil)
- Capital goods - ₹ Nil (₹Nil)

3.12. Earnings in foreign currency - ₹Nil (₹Nil)

3.13. Expenditure in foreign currency - ₹Nil (₹Nil)

3.14. Due to Micro Small and Medium 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. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2019 has been made in the financial statements based on information received and available with the company and the same has been relied upon by the auditors. The Company has not received any claim for interest from supplier under the said Act. In the view of the management,



**Vivardhana Microfinance Limited**

**Notes forming part of the Financial Statements for the year ended March 31, 2019**

the impact of interest, if any, that may be payable in accordance with the provisions of the aforesaid Act is not expected to be material

(In ₹)

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year	Nil	Nil
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	Nil	Nil

3.15. Previous period figures have been regrouped & reclassified to conform to the current year's classification.

**For Sundar Sridhar & Sridhar**  
**Chartered Accountants**

Firm Registration Number: 0042015



**S. Sridhar**  
**Partner**

Membership Number: 025504



**Eswaran Natesa Sastry**  
**Managing Director**

DIN: 02116240



**Karuppasamy Singam**  
**Director**

DIN: 02414527

Place: Chennai  
Date: July 5, 2019



**For and on behalf of the Board of Directors**

For VIVARDHANA MICROFINANCE LIMITED

  
Company Secretary