

**Vivardhana Microfinance Limited**  
**Balance Sheet as at 31 March 2024**

Particulars	Note	Amount in Thousands	
		As At 31 March 2024	As At 31 March 2023
<b>I. Equity and Liabilities</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	2.1	50,000.00	50,000.00
(b) Reserves and surplus	2.2	38,308.01	30,483.96
		<b>88,308.01</b>	<b>80,483.96</b>
<b>2. Non current liabilities</b>			
(a) Long term borrowings	2.3	71,317.47	87,678.56
(b) Long term provisions	2.4	401.20	253.59
		<b>71,718.67</b>	<b>87,932.15</b>
<b>3. Current liabilities</b>			
(a) Short term borrowings	2.5	39,023.09	40,980.83
(b) Trade Payables			
(i) Total outstanding dues of micro enterprises & small enterprises (Refer note 3.18)		54.00	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.6	307.25	338.24
(c) Other current liabilities	2.7	1,676.73	1,755.29
(d) Short term provisions	2.8	5,963.29	5,128.66
		<b>47,024.36</b>	<b>48,203.02</b>
<b>Total</b>		<b>2,07,051.04</b>	<b>2,16,619.13</b>
<b>II. Assets</b>			
<b>1. Non-current assets</b>			
(a) Property, Plant and Equipment			
Property, Plant and Equipment	2.9	246.24	169.80
(b) Deferred tax assets (net)	2.10	1,104.62	851.82
(c) Long term Loans given under financing activities	2.11 (a)	51,896.36	69,843.67
(d) Long term loans and advances	2.12	969.88	587.54
		<b>54,217.10</b>	<b>71,452.83</b>
<b>2. Current assets</b>			
(a) Short term Loans given under financing activities	2.11 (b)	1,10,014.45	1,07,409.99
(b) Cash and bank balances	2.13	27,921.65	25,146.51
(c) Short term loans & advances	2.14	272.39	172.24
(d) Other current assets	2.15	14,625.45	12,437.56
		<b>1,52,833.94</b>	<b>1,45,166.30</b>
<b>Total</b>		<b>2,07,051.04</b>	<b>2,16,619.13</b>
See accompanying notes forming part of the financial statements In terms of our report attached	1, 2 & 3		

For Sundar Sridhar & Sridhar  
Chartered Accountants  
Firm Registration Number: 004201S

S. Sridhar  
Partner  
Membership Number: 025504

Place: Chennai  
Date: August 09, 2024



For and on behalf of the Board of Directors of  
Vivardhana Microfinance Limited  
CIN: U65999TN2017PLC116613

*Eswaran Natesa Sastry*  
Eswaran Natesa Sastry  
Managing Director  
DIN: 03519077

*Sudha Ravichandran*  
Sudha Ravichandran  
Director  
DIN: 07812004

**Vivardhana Microfinance Limited**

**Statement of Profit and Loss for the year ended 31 March 2024**

Particulars	Note	Amount in Thousands	
		For The Year Ended 31 March 2024	For The Year Ended 31 March 2023
I. Revenue from operations	2.16	38,413.50	32,651.18
II. Other income	2.17	1,454.70	1,095.92
<b>III. Total Income (I+II)</b>		<b>39,868.20</b>	<b>33,747.10</b>
<b>IV. Expenses</b>			
(a) Finance cost	2.18	15,079.41	12,928.19
(b) Employee benefits expense	2.19	5,629.74	4,033.30
(c) Provisions and write-offs	2.20	826.54	508.97
(d) Depreciation	2.9	84.34	59.96
(e) Other expenses	2.21	7,943.22	6,693.32
<b>Total Expenses</b>		<b>29,563.25</b>	<b>24,223.74</b>
<b>V. Profit before tax (III-IV)</b>		<b>10,304.95</b>	<b>9,523.36</b>
<b>VI. Tax expense:</b>			
(a) Current tax		2,735.00	2,388.00
(b) Deferred tax charge/ (credit)		(252.80)	11.25
(c) Short/(Excess) provision for Income Tax		(1.30)	-
		<b>2,480.90</b>	<b>2,399.25</b>
<b>VII. Profit after tax for the year (V-VI)</b>		<b>7,824.05</b>	<b>7,124.11</b>
<b>VIII. Earnings per equity share:</b>			
Basic (in ₹)		1.56	1.42
Weighted average number of equity shares		50,00,000	50,00,000
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 Sridhar & Sridhar  
Chartered Accountants  
Firm Registration Number: 0042015

S. Sridhar  
Partner

Membership Number: 025504



For and on behalf of the Board of Directors of  
Vivardhana Microfinance Limited  
CIN: U65999TN2017PLC116613

*Eswaran Natesa Sastry*  
Eswaran Natesa Sastry  
Managing Director  
DIN: 03519077

*R. Sudha*  
Sudha Ravichandran  
Director  
DIN: 07812004

Place: Chennai

Date: August 09, 2024

**Vivardhana Microfinance Limited**

**Cash Flow Statement For The Year Ended 31 March 2024**

Particulars	Amount in Thousands	
	For The Year Ended 31 March 2024	For The Year Ended 31 March 2023
<b>A) Cash Flow From Operating Activities</b>		
Profit before tax	10,304.95	9,523.36
<b>Adjustments for</b>		
Depreciation and Amortisation	84.34	59.96
Provisions against standard and restructured loans	824.98	381.53
Finance Cost	15,079.40	12,928.19
Write-off of other loans	1.56	127.44
Interest income from borrowers	(37,116.68)	(30,563.92)
<b>Operating profits before working capital adjustments</b>	<b>(10,821.45)</b>	<b>(7,543.44)</b>
Working capital adjustments		
(Increase)/Decrease in receivables under financing activity	15,342.84	(62,671.35)
(Increase)/Decrease in loans and advances	(208.46)	54.87
(Increase)/Decrease in other assets	(2,187.87)	(3,913.74)
Increase/ (Decrease) in trade payable	23.00	225.01
Increase/ (Decrease) in provisions and other liabilities	78.71	200.61
<b>Net cash from operating activities</b>	<b>2,226.77</b>	<b>(73,648.05)</b>
Interest income from borrowers	37,116.68	30,563.92
Finance cost	(15,079.40)	(12,928.19)
Direct taxes paid (including TDS credits)	(3,009.30)	(2,231.40)
<b>Net Cash From/(Used In) Operating Activities</b>	<b>21,254.75</b>	<b>(58,243.71)</b>
<b>B) Cash Flow From Investing Activities</b>		
Purchase of Property, Plant and Equipment	(160.78)	(85.44)
Movements in bank balances not considered as cash and cash equivalents	(3,256.01)	(11,967.23)
<b>Net Cash From /(Used In) Investing Activities</b>	<b>(3,416.79)</b>	<b>(12,052.67)</b>
<b>C) Cash Flow From Financing Activities</b>		
Proceeds from issue of secured non-convertible debentures	19,800.00	22,600.00
Proceeds from long-term borrowings from banks	10,000.00	1,22,500.00
Redemption of secured non-convertible debentures	(13,050.00)	(13,000.00)
Repayment of long-term borrowings from banks	(35,068.83)	(63,646.23)
<b>Net Cash From/(Used In) Financing Activities</b>	<b>(18,318.83)</b>	<b>68,453.77</b>
<b>Net Increase/(Decrease) In Cash And Cash Equivalents</b>	<b>(480.87)</b>	<b>(1,842.61)</b>
Cash and cash equivalents at the beginning of the year	1,714.76	3,557.37
<b>Cash and cash equivalents at the end of the year</b>	<b>1,233.89</b>	<b>1,714.76</b>
Add:		
Fixed deposits with maturity period of more than 3 months	6,100.00	4,874.62
Held in margin money accounts	20,587.76	18,557.13
<b>Cash and bank balances as per Balance Sheet (Note 2.13)</b>	<b>27,921.65</b>	<b>25,146.51</b>

See accompanying notes forming part of the financial statements  
In terms of our report attached

For Sundar Srini & Sridhar  
Chartered Accountants  
Firm Registration Number: 004201S

S. Sridhar  
Partner  
Membership Number: 025504

Place: Chennai  
Date: August 09, 2024



For and on behalf of the Board of Directors  
Vivardhana Microfinance Limited  
CIN: U65999TN2017PLC116613

Eswaran Natesa Sastry  
Managing Director  
DIN: 03519077

Sudha Ravichandran  
Director  
DIN: 07812004

## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

### Business overview

Vivardhana Microfinance Limited ("the Company") is a public limited company 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 domiciled in India and its registered office is situated at Flat no. E-7, Shanthi Apartments, Door no. 4 Appu Mudali Street, Mylapore, Chennai -600004.

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 Act, read with Companies (Accounting Standards) Rules, 2021 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 Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide **Notification No. DoR.FIN.REC.No.45/03.10.119/2023-24** dated October 19, 2023, 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:

- 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.



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

### 1.4. Cash flow statement

Cash flow statement is reported using the Indirect Method, whereby 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

Property, plant and equipment (PPE) are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of property, plant and equipment 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 property, plant and equipment up to the date the asset is ready for its intended use.

### 1.7. Depreciation and Amortisation

PPE are 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/amortisation 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 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide **Notification No. DoR.FIN.REC.No.45/03.10.119/2023-24** dated October 19, 2023, as amended from time to time 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.

The Company as a policy matter has decided to write-off loans which are overdue and not recoverable for a period of time as and when the management makes a decision of writing off loans as per the quality and expectation of realization of loans from borrowers.

"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 Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide **Notification No. DoR.FIN.REC.No.45/03.10.119/2023-24** dated October 19, 2023, as amended from time to time.



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

### 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.

### 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 PPE

The Company has put all its significant property, plant and equipment 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 (other than the provisions required to be made on the loan portfolio) 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.



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

### 1.14. Accounting for Employee Benefits

#### a) Defined benefit plans

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 profit/(loss) after tax for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year.

### 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.

### 1.17. Borrowing Cost

The Company borrows from Banks and Financial Institutions for the purpose of lending to its microfinance clients. The costs associated with these borrowings are classified as Finance Costs. Finance costs comprise Interest, Processing fees, stamp duty and other charges directly related to the borrowings. Interest is provided on the loan balance as per the terms and conditions of the loan transaction.



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

Note 2.1

### Share Capital

Note 2.1(i)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount in Thousands	Number	Amount in Thousands
<b>Authorised</b>				
<b>Equity share capital</b>				
Equity shares of ₹10/- each	50,00,000	50,000.00	50,00,000	50,000.00
<b>Issued</b>				
<b>Equity share capital</b>				
Equity shares of ₹10/- each	50,00,000	50,000.00	50,00,000	50,000.00
<b>Subscribed &amp; paid up</b>				
Equity shares of ₹10/- each	50,00,000	50,000.00	50,00,000	50,000.00
<b>Total</b>	<b>50,00,000</b>	<b>50,000.00</b>	<b>50,00,000</b>	<b>50,000.00</b>

Note 2.1(ii)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount in Thousands	Number	Amount in Thousands
<b>Equity share capital</b>				
Shares outstanding at the beginning of the year				
Shares issued during the year	50,00,000	50,000.00	50,00,000	50,000.00
<b>Shares outstanding at the end of the year</b>	<b>50,00,000</b>	<b>50,000.00</b>	<b>50,00,000</b>	<b>50,000.00</b>



## Vivardhana Microfinance Limited

### Notes forming part of the Financial Statements for the year ended 31 March, 2024

**Note 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

a) The company has only one class of equity shares having a par value of ₹10/- each.  
 b) 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.

c) For the year ended 31.03.2024, the Board of Directors have not proposed any dividend (PY – ₹ Nil).

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 2.1 (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 is as given below:**

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	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 2.1 (v)**

**Shareholding of Promoters**

Promoter name	Shares held by the promoters as at the end of the year					
	As at 31 March 2024			As at 31 March 2023		
	No. of shares	% of total shares	% of change during the year	No. of shares	% of total shares	% of change during the year
Ravichandran Sudha	11,79,000	23.58%	-	11,79,000	23.58%	-
Eswaran Natesan Sastry	5,00,000	10.00%	-	5,00,000	10.00%	-
N Ramakrishnan	1,50,000	3.00%	-	1,50,000	3.00%	-
R. Subhamangalam	1,00,000	2.00%	-	1,00,000	2.00%	-
M.R. Balasubramanian	50,000	1.00%	-	50,000	1.00%	-
B. Priyadharsini	20,000	0.40%	-	20,000	0.40%	-
N.Ramamurthy	20,000	0.40%	-	20,000	0.40%	-
V.Ravichandran	16,63,400	33.27%	-	16,63,400	33.27%	-
C Srikanth	5,00,000	10.00%	-	5,00,000	10.00%	-
R. Janamie	50,000	1.00%	-	50,000	1.00%	-



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

### Note 2.2

<b>Reserves &amp; Surplus</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
	Amount in Thousands	
<b>Statutory reserves</b>		
Opening Balance	6,096.79	4,671.97
Add: Transfer during the year	1,564.81	1,424.82
Closing balance (A)	7,661.60	6,096.79
<b>Surplus in Statement of profit and loss</b>		
Opening Balance	24,387.17	18,687.88
Add: Profit after tax transferred from statement of profit & loss	7,824.05	7,124.11
Less: Amount transferred to statutory reserves	(1,564.81)	(1,424.82)
Closing balance (B)	30,646.41	24,387.17
<b>Balance carried to balance sheet (A+B)</b>	<b>38,308.01</b>	<b>30,483.96</b>

Pursuant to the provisions of Section 45(IC) of Reserve Bank of India Act, 1934, the Company has transferred Rs 1,564.81 (in Thousands) and PY-Rs.1,424.82 (in Thousands) towards Statutory Reserve Fund.

### Note 2.3

<b>Long term Borrowings</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
	Amount in Thousands	
<b>Secured loans</b>		
Non convertible debentures (Refer note below-2.3(A))	19,800.00	22,600.00
Term loans from Banks (Refer note below-2.3(B))	51,517.47	65,078.56
<b>Total</b>	<b>71,317.47</b>	<b>87,678.56</b>

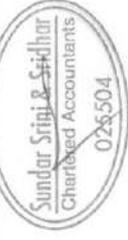


## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

Note 2.3

Long Term Borrowings						Amount in Thousands	
Particulars	Security	Rate of Interest	Terms of Repayment	As at 31 March 2024	As at 31 March 2023		
Series XI- 177 (PY - NA) Secured, unrated, unlisted, redeemable, transferable, non-convertible debentures of face value of ₹50,000/- each	Secured by way of hypothecation of book debts	12% - Quarterly	Tenure - 24 Months Redeemable on Aug 12, 2025 The Company to redeem the debentures in full on maturity	8,850.00	-		
Series XII- 119 (PY - NA) Secured, unrated, unlisted, redeemable, transferable, non-convertible debentures of face value of ₹50,000/- each	Secured by way of hypothecation of book debts	12% - Quarterly	Tenure - 24 Months Redeemable on Feb 16, 2026 The Company to redeem the debentures in full on maturity	5,950.00	-		
Series XIII- 2 (PY - NA) Secured, unrated, unlisted, redeemable, transferable, non-convertible debentures of face value of ₹50,000/- each	Secured by way of hypothecation of book debts	12% - Quarterly	Tenure - 18 Months Redeemable on Sep 20, 2025 The Company to redeem the debentures in full on maturity	5,000.00	-		
Series IX - 296 (PY - NA) Secured, unrated, unlisted, redeemable, transferable, non-convertible debentures of face value of ₹50,000/- each	Secured by way of hypothecation of book debts	10.50% - Quarterly	Tenure - 24 Months Redeemable on Sep 15, 2024 The Company to redeem the debentures in full on maturity	14,800.00	14,800.00		
Series X- 156 (PY - NA) Secured, unrated, unlisted, redeemable, transferable, non-convertible debentures of face value of ₹50,000/- each	Secured by way of hypothecation of book debts	11.00% - Quarterly	Tenure - 24 Months Redeemable on Dec 3, 2024 & Dec 6, 2024 The Company to redeem the debentures in full on maturity	7,800.00	7,800.00		
Series VIII - 125 (PY - NA) Secured, unrated, unlisted, redeemable, transferable, non-convertible debentures of face value of ₹50,000/- each	Secured by way of hypothecation of book debts	9.50% p.a - Quarterly (NA)	Tenure - 24 Months Redeemable on Feb 14, 2024 The Company to redeem the debentures in full on maturity	-	6,250.00		
Series VII- 136 (PY - NA) Secured, unrated, unlisted, redeemable, transferable, non-convertible debentures of face value of ₹50,000/- each	Secured by way of hypothecation of book debts	9.75% p.a - Quarterly (NA)	Tenure - 24 Months Redeemable on Aug 9, 2023 The Company to redeem the debentures in full on maturity	-	6,800.00		
<b>Total</b>				<b>42,400.00</b>	<b>35,650.00</b>		
Less: Current maturities of debentures disclosed in 'Short term borrowings'				22,600.00	13,050.00		
<b>Total - Non current liability</b>				<b>19,800.00</b>	<b>22,600.00</b>		



**Vivardhana Microfinance Limited**  
Notes forming part of the Financial Statements for the year ended 31 March, 2024

B. Borrowings from Banks				Amount in Thousands
Dhanlaxmi Bank - Sanctioned amount - Nil (PY - Rs.1,00,00,000)	Secured by way of hypothecation of book debts with 1.25x cover of Standard assets	12.00% -One year MCLR plus 330 bps (NA)	Repayable in 24 equal monthly installments Cash Margin - 10%	2,678.44
Indian Bank - Sanctioned amount of Rs.7,00,00,000 (PY - Nil)	Secured by way of hypothecation of book debts with 1.25x cover of Standard assets	10.30% -One year MCLR plus 300 bps (NA)	Repayable in 24 equal monthly installments Cash Margin - 10%	40,894.53
City Union Bank - Sanctioned amount of Rs.1,00,00,000 (PY - Nil)	Secured by way of hypothecation of book debts with 1.25x cover of Standard assets	13.50% (NA)	Repayable in 30 equal monthly installments Cash Margin - 25%	7,994.96
SBI Bank - Sanctioned amount of Rs.3,00,00,000 (PY - Nil)	Secured by way of hypothecation of book debts with 1.25x cover of Standard assets	10.55% (NA)	Repayable in 30 equal monthly installments Cash Margin - 25%	28,868.44
Tamilnadu Grama Bank - Sanctioned amount of Rs.5,00,00,000 (PY - Nil)	Secured by way of hypothecation of book debts with 1.25x cover of Standard assets	13.00% (NA)	Repayable in 36 equal monthly installments Cash Margin - 10%	12,573.02
Indian Bank	Loan against FD from Indian Bank	Interest as per Bank statement 13.50%(EBLR + 4.00%) (Present EBLR: 9.50%)	Loan Availed in March 24 and repayment in April 24	4,500.94
City Union Bank - Sanctioned amount - Nil (PY - Rs.1,00,00,000 )	Secured by way of hypothecation of book debts with 1.25x cover of Standard assets		Repayable in 30 equal monthly installments Cash Margin - 25%	8,344.59
<b>Total</b>				<b>93,009.39</b>
Less: Current maturities of long-term debt disclosed in 'Short term borrowings'				16,423.09
<b>Total-Non Current Liability</b>				<b>51,517.47</b>

During the year, the company has borrowed funds from various banks on the basis of security of its current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of account except for minor differences as disclosed in Note 3.20 to the financial statements.



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

### Note 2.4

<b>Long Term Provisions</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
	Amount in Thousands	
Provision for employee benefits	401.20	253.59
<b>Total</b>	<b>401.20</b>	<b>253.59</b>

### Note 2.5

<b>Short Term Borrowings</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
	Amount in Thousands	
<b>Secured</b>		
Current maturities of Non-Convertible Debentures (refer note 2.3(A))	22,600.00	13,050.00
Current maturities of term loan from banks (refer note 2.3(B))	16,423.09	27,930.83
<b>Total</b>	<b>39,023.09</b>	<b>40,980.83</b>

### Note 2.6

<b>Trade Payables</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
	Amount in Thousands	
<b>Payable for purchase of materials and services</b>		
(i) Dues of Micro Small & Medium enterprises	54.00	
(ii) Dues of creditors other than Micro Small & Medium enterprises	307.25	338.24
<b>Total</b>	<b>361.25</b>	<b>338.24</b>



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

**Note 2.6**

Particulars	Outstanding for following periods from due date of payment					Total
	Trade Payables ageing schedule as on 31 March 2024					
	Not due for payment	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	54.00	-	-	-	-	54.00
(ii) Others	238.44	68.81	-	-	-	307.25
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment					Total
	Trade Payables ageing schedule as on 31 March 2023					
	Not due for payment	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	111.61	226.63	-	-	-	338.24
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

**Note 2.7**

<b>Other current liabilities</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
	Amount in Thousands	
Others-Insurance Charges Recovered in advance	873.90	1,104.36
Statutory dues	140.46	88.55
Interest accrued but not due on debentures	351.14	279.53
Employee related liabilities	185.23	170.35
Liabilities for expenses	126.00	112.50
<b>Total</b>	<b>1,676.73</b>	<b>1,755.29</b>

**Note 2.8**

<b>Short term provisions</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
	Amount in Thousands	
Provision for receivables under financing activities	5,928.11	5,103.14
Provision for employee benefits	35.18	25.52
<b>Total</b>	<b>5,963.29</b>	<b>5,128.66</b>



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

**Note 2.9**  
Property, Plant and Equipment

		Property, Plant and Equipment										Amount in Thousands	
S.No.	Particulars	Gross block					Accumulated depreciation			Net block			
		As at 1st April 2023	Additions	Deletions	As at 31st March 2024	As at 1st April 2023	Depreciation for the year	Deletions	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023		
1	Property, Plant and Equipment Furniture & Fixtures	90.16	18.80	-	108.96	39.69	10.07	-	49.76	59.20	50.47		
2	Computers	415.87	86.98	-	502.85	296.54	69.59	-	366.13	136.72	119.33		
3	Vehicle	-	55.00	-	55.00	-	4.68	-	4.68	50.32	-		
	<b>Grand Total</b>	<b>506.03</b>	<b>160.78</b>	<b>-</b>	<b>666.81</b>	<b>336.23</b>	<b>84.34</b>	<b>-</b>	<b>420.57</b>	<b>246.24</b>	<b>169.80</b>		
	<b>Previous period</b>	<b>420.59</b>	<b>85.44</b>	<b>-</b>	<b>506.03</b>	<b>276.27</b>	<b>59.96</b>	<b>-</b>	<b>336.23</b>	<b>169.80</b>	<b>144.32</b>		

1. No revaluation of Property, Plant and Equipment and Intangible assets happened during the year.
2. No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

**Note 2.10**

<b>Deferred tax asset/(liability)</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
	Amount in Thousands	
On property, plant and equipment	0.63	(1.21)
On provision for standard assets	947.54	739.91
On employee benefits	156.45	113.12
<b>Total</b>	<b>1,104.62</b>	<b>851.82</b>

**Note 2.11**

<b>Loans given under financing activities</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
	Amount in Thousands	
<b>Unsecured and considered good</b>		
Microfinance loans	1,60,713.49	1,75,491.42
Business loans	1,197.32	1,762.23
	<b>1,61,910.81</b>	<b>1,77,253.65</b>
Of the above:		
a) Non-current (Refer Note 2.8 for Provision for Receivables under Financing Activities)	51,896.36	69,843.67
b) Current (Refer Note 2.8 for Provision for Receivables under Financing Activities)	1,10,014.45	1,07,409.98
	<b>1,61,910.81</b>	<b>1,77,253.65</b>
(Refer Note No:1.8 for classification of assets into standard and substandard)	<b>1,61,910.81</b>	<b>1,77,253.65</b>

**Note 2.12**

<b>Long term loans &amp; advances</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
	Amount in Thousands	
<b>Unsecured, considered good</b>		
Staff Loans (Given during the course of employment)	130.02	23.27
Advance tax & TDS receivables	839.86	564.27
<b>Total</b>	<b>969.88</b>	<b>587.54</b>

**Vivardhana Microfinance Limited**  
Notes forming part of the Financial Statements for the year ended 31 March, 2024

**Note 2.13**

<b>Cash and bank balances</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
	Amount in Thousands	
<b>A. Cash and cash equivalents</b>		
Cash on hand	-	-
Balance with bank		
In current account	1,233.89	1,714.76
	<b>1,233.89</b>	<b>1,714.76</b>
<b>B. Other bank balances</b>		
Deposits with original maturity period of more than 3 months	6,100.00	4,874.62
Balances with banks to the extent held as margin money or security against the borrowings	20,587.76	18,557.13
<b>Total</b>	<b>27,921.65</b>	<b>25,146.51</b>

**Note 2.14**

<b>Short term loans &amp; advances</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
	Amount in Thousands	
<b>Unsecured, considered good</b>		
Staff loans	272.39	172.24
<b>Total</b>	<b>272.39</b>	<b>172.24</b>

**Note 2.15**

<b>Other current assets</b>		
Particulars	As at 31 March 2024	As at 31 March 2023
	Amount in Thousands	
Security Deposits	260.01	258.01
Interest accrued but not due on loan portfolio	12,998.20	11,357.71
Interest receivable from fixed deposits	503.85	-
Prepaid expense	5.90	-
Other Receivables	857.49	821.84
<b>Total</b>	<b>14,625.45</b>	<b>12,437.56</b>

## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

**Note 2.16**

<b>Revenue from operations</b>		
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	Amount in Thousands	
Interest income from micro-finance loans	37,053.48	30,187.89
Interest income from business loans	63.20	376.03
Loan processing fees	1,007.16	1,542.18
Other Operating Income	289.66	545.08
<b>Total</b>	<b>38,413.50</b>	<b>32,651.18</b>

**Note 2.17**

<b>Other income</b>		
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	Amount in Thousands	
Interest on fixed deposits	1,429.68	1,055.05
Other Interest	25.02	40.87
<b>Total</b>	<b>1,454.70</b>	<b>1,095.92</b>

**Note 2.18**

<b>Finance Cost</b>		
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	Amount in Thousands	
Interest on Non-convertible debentures	3,945.20	3,081.66
Interest on borrowings from banks	11,082.81	8,206.55
Other borrowing costs	51.40	1,639.98
<b>Total</b>	<b>15,079.41</b>	<b>12,928.19</b>



Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

Note 2.19

<b>Employee benefits expense</b>		
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	Amount in Thousands	
Salaries & allowances	5,197.15	3,830.95
Contribution to gratuity and other employee benefit funds	321.20	61.34
Staff welfare	111.39	141.01
<b>Total</b>	<b>5,629.74</b>	<b>4,033.30</b>

Note 2.20

<b>Provisions and write offs</b>		
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	Amount in Thousands	
Provisions against standard and restructured loans	824.98	381.53
Losses written off	1.56	127.44
<b>Total</b>	<b>826.54</b>	<b>508.97</b>

Note 2.21

<b>Other expenses</b>		
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	Amount in Thousands	
Rent	360.00	360.00
Legal and professional charges	368.10	412.70
Consultant charges	885.00	1,755.28
Collection Agent Charges	1,082.51	944.88
Director sitting fees	110.00	150.00
Travelling expenses	2,633.20	1,264.11
Audit fees	140.00	125.00
Subscription and membership fees	340.59	304.80
Office maintenance	199.27	163.00
Rates and taxes	394.41	412.40
Information technology expenses	779.43	333.43
Miscellaneous Expenses	650.71	467.72
<b>Total</b>	<b>7,943.22</b>	<b>6,693.32</b>

## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

### 3.0. Other disclosure

#### 3.1. Related Party Disclosure

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

##### i) Name of the Related Parties

Relationship	Name of the Party
Key Management Personnel (KMP)	Eswaran Natesa Sastry - Managing Director Sudha Ravichandran- Director

##### ii) Transaction with related parties

Nature of Transaction	Amount in Thousands	
	Key Managerial Personnel	
	2023-24	2022-23
<b>a) Transactions during the year</b>		
Remuneration	300.00	300.00
Rent paid	360.00	360.00
<b>b) Balance as at the Balance Sheet date</b>	-	-

### 3.2. Earnings per share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit/(Loss) available for Equity shareholders (in Thousands)	7,824.05	7,124.11
Weighted Average No. of Shares	50,00,000	50,00,000
<b>Earnings/(Loss) Per Share in ₹(FV of ₹10)</b>	<b>1.56</b>	<b>1.42</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 31 March, 2024

### Note 3.4. Disclosure pursuant to AS 15 "Employee Benefits"

#### A) Defined Contribution plans:

Contribution to Defined contribution plans, recognized as expense for the year is as under

Particulars	Amount in Thousands	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Employers' Contribution to Employees Provident Fund	-	-
Employers' Contribution to Employees State Insurance	63.24	61.34
<b>Total</b>	<b>63.24</b>	<b>61.34</b>

The above amounts are included in Contribution to Provident and Other Funds (Refer Note 2.19)

#### B) (i) Defined Benefits Plan:

The Company's obligation towards Gratuity is a Defined Benefit Plan. The Company has not funded its gratuity liability and the same continues to remain unfunded as at 31 March 2024. The following table sets out the Gratuity scheme and the amount recognized in the financial statements as per the Actuarial Valuation done by an Independent Actuary.

Expenses recognized in Profit & Loss Account	Amount in Thousands	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Current Service Cost	88.99	59.77
Interest Cost on benefit obligation	20.68	22.80
Net Actuarial (gain)/loss recognized in the year	(10.43)	(143.82)
Past services cost	-	-
Net Benefit expense	99.25	(61.25)
<b>Change in the present value of the defined benefit obligation are as follows:</b>		
Opening defined benefit obligation	279.11	340.36
Interest cost	20.68	22.80
Current services cost	88.99	59.77
Benefits paid	-	-
Actuarial (gains)/losses on obligation	(10.43)	(143.82)
<b>Closing defined benefit obligation</b>	<b>378.35</b>	<b>279.11</b>
<b>Principal actuarial assumptions:</b>		
Assumptions	%	%
Salary Rise	5.00	5.00
Discount rate	7.19	7.41
Attrition Rate	15.00	15.00

**Vivardhana Microfinance Limited**  
**Notes forming part of the Financial Statements for the year ended 31 March, 2024**

**Notes:**

- (i) The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.
- (ii) Discount rate is based on the prevailing market as applicable for risk free investment as at the Balance Sheet date for the estimated term of the obligation.

**(ii) Compensated Absences:**

The Assumptions used for computing the long term accumulated compensated absences are as follows:

Principal Actuarial Assumptions	For the year ended 31 March 2024	For the year ended 31 March 2023
Attrition rate	15.00%	15.00%
Discount rate	7.19%	7.41%
Expected rate of salary increase	5.00%	5.00%

**3.5. Payment to auditors**

Amount in Thousands

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
For Audit	115.00	100.00
For Tax Audit	25.00	25.00
For Other Services	14.50	11.00
	<b>154.50</b>	<b>136.00</b>



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

### 3.6. Ratios

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023

Ratios	Numerator	Denominator	Current Period	Previous period	% Variance	Reason for Variance beyond 25%
Current Ratio	Current assets	Current Liabilities	3.25	3.01	8%	NA
Debt – Equity Ratio	Total Debt	Shareholder's Equity	1.25	1.60	-22%	NA
Debt Service Coverage Ratio	Earnings available for debt service(EBITDA)	Debt Service (Interest & Lease Payments + Principal Repayments)	0.24	0.28	-13%	NA
Return on Equity (ROE)	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	9.27%	9.26%	0%	NA
Net capital turnover ratio	Net Sales	Average Working Capital	0.38	0.43	-13%	NA
Net profit ratio	Net Profit	Net Sales	20.37%	21.82%	-1%	NA
Return on capital employed	Earning before interest and taxes	Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	12.26%	10.36%	2%	NA
Return on investment	Income generated from investments	Time weighted average investments		NA		NA



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

### 3.7. Disclosure Details as required in terms of Paragraph 31 of Master Directions – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

Particulars		Amount in Thousands	
Liabilities side		Amount outstanding as on 31 March 2024	Amount overdue as on 31 March 2023
(1)	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :</b>		
	(a) Debentures : Secured	42,751.14	35,929.53
	: Unsecured (other than falling within the meaning of public deposits)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	67,940.56	93,009.39
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits	-	-
	(g) Other Loans	-	-
(2)	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not</b>		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where	-	-
	(c) Other public deposits	-	-

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	1,61,910.80
(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	-



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

(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 <b>Long Term investments</b> 1. Quoted (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	
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(6)	<b>Borrower group-wise classification of assets financed as in (3) and (4) above :</b>		
	<b>Category</b>	<b>Amount net of provisions</b>	
		<b>Secured</b>	<b>Unsecured</b>
			<b>Total</b>
	1. Related Parties		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	-	1,55,982.69
	<b>Total</b>	-	<b>1,55,982.69</b>

## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted)		
	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>	-	-
(8)	Other information		
	Particulars	Amount in thousands	
	(i) Gross Non-Performing Assets		
	(a) Related parties		-
	(b) Other than related parties		1,689.27
	(ii) Net Non-Performing Assets		
	(a) Related parties		-
	(b) Other than related parties		323.52
	(iii) Assets acquired in satisfaction of debt		-



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

### 3.8. Restructuring of loans

No loan has been restructured during the FY2023-24

During the year ended FY23, the Company has restructured the loans as presented in below table:

Amount in Thousands		
	(A)	(B)
Type of borrower	Number of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan
a) Personal loans	271	5,143.72
b) Business loans	13	200.51
<b>Total</b>	<b>284</b>	<b>5,344.23</b>

Out of the total loans restructured during the year ended FY23, 217 loan accounts with total amount of Rs.3,688.17 (in thousands) is outstanding as on 31-03-2024.

During the year ended FY22, the Company has restructured the loans in accordance with the RBI circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 as presented in below table:

Amount in Thousands		
	(A)	(B)
Type of borrower	Number of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan
a) Personal loans	1,524	24,907.86
b) Business loans	54	625.09
<b>Total</b>	<b>1,578</b>	<b>25,532.95</b>

Out of the total loans restructured during the year ended FY22, 889 loan accounts with total amount of Rs.13,389.12 (in thousands) is outstanding as on 31-03-2024.



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

### 3.9. Provision For outstanding loan portfolio:

The provision for outstanding loan portfolio as at 31 March 2024 has been calculated higher of

a) 1% on the total loan portfolio (excluding restructured loans) outstanding as at the balance sheet date and 10% of the total restructured loans 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.

Amount in Thousands

Particulars	As at 31 March 2024	As at 31 March 2023
Loans - Standard	1,34,571.50	1,38,548.82
Loans - Restructured	25,650.03	37,001.10
Loans - Non Performing Assets	1,689.27	1,703.73
<b>Total loans</b>	<b>1,61,910.80</b>	<b>1,77,253.65</b>
Provision on loan		
10% on restructured loans	2,565.00	3,700
1% on total loans (excluding restructured)	1,362.61	1,403
Additional Provision	2,000.00	-
Total (B)	<b>5,927.61</b>	<b>5,102.64</b>
Aggregate of		
(i) 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days	323.52	745.52
(ii) 100% of the aggregate loan installments which are overdue for 180 days or more.	1,042.22	212.69
Total (C)	<b>1,365.74</b>	<b>958.21</b>
<b>Higher of (B) or (C)</b>	<b>5,927.61</b>	<b>5,102.64</b>
Opening Provision	5,102.64	4,721.11
Additions/(reversal) (net)	824.97	381.53
<b>Closing Provision</b>	<b>5,927.61</b>	<b>5,102.64</b>

The Management has provided additional provisioning of 10% on restructured loans, as per the RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued vide Notification No. DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023, as amended from time to time. Also, during the year, the company has created an additional provision of Rs. 2,000 (in thousands).



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

### 3.10. Movement of NPA

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	<b>Amount in Thousands</b>	
Opening NPA as per Books (Gross)	1,703.73	442.55
Additions during the year	647.05	1,491.04
Less: Recovery/adjustments during the year	(661.50)	(229.86)
Less: Reductions/write-off during the year	-	-
Closing NPA as per Books (Gross)	<b>1,689.28</b>	<b>1,703.73</b>
Provision for NPAs	<b>1,365.75</b>	<b>958.21</b>
Closing NPA as per Books (Net)	<b>323.53</b>	<b>745.52</b>

### 3.11. Capital to Risk Assets Ratio (CRAR)

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.

Particulars	As at 31 March 2024	As at 31 March 2023
CRAR %	49.33%	41.94%
CRAR - Tier I Capital (%)	49.33%	41.94%
CRAR - Tier II Capital (%)	0.00%	0.00%
Amount of subordinated debt included in Tier-II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

### 3.12. Qualifying Assets

The Company has maintained the qualifying asset percentage as at 31 March 2024, as specified in the Master Direction – Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022 (Updated as on July 25, 2022)- RBI/DOR/2021-22/89 DoR.FIN.REC.95/03.10.038/2021-22 dated 14th March, 2022.

Particulars	Amount in Thousands	
	As at 31 March 2024	As at 31 March 2023
Qualifying assets	1,60,401.36	1,74,243.78
Net assets	1,79,129.39	1,91,472.63
% of Qualifying assets to net assets	89.54%	91.00%

### 3.13. Information on Net Interest Margin and other ratios

Particulars	31 March 2024	31 March 2023
a) Average Lending Rate %	22.30%	21.30%
b) Average cost of Borrowings %	12.62%	12.21%
c) Net Interest Margin %	9.68%	9.09%
d) Return on Total Assets %	3.69%	3.99%
e) Current Ratio	3.25	3.01



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

3.14. Disclosures as per 'Scale Based Regulation (SBR) - A Revised Regulatory Framework' for NBFCs, vide RBI Notification RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23, dated April 19, 2022:

**Section I - Part A – Exposure:**

1. Exposure to Real estate sector- Nil
2. Exposure to Capital Market- Nil

**3. Sectoral exposure**

Amount in Thousands

Sectors	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
<b>1. Agriculture and Allied Activities</b>						
i. Agri Cattle Scheme	45,293.53	321.42	0.71%	46,853.56	411.95	0.88%
ii. Milch Animal Scheme	5,685.53	10.49	0.18%	6,745.53	42.29	0.63%
iii. Grocery Scheme	56.46	-	0.00%	62.53	-	0.00%
iv. Country Chicken Scheme	41.10	-	0.00%	120.89	-	0.00%
v. Refreshment Scheme	14.42	-	0.00%	40.97	-	0.00%
<b>Total of Agriculture and Allied Activities</b>	<b>51,091.04</b>	<b>331.91</b>	<b>0.89%</b>	<b>53,823.48</b>	<b>454.24</b>	<b>1.51%</b>
<b>2. Industry</b>	Nil	Nil	Nil	Nil	Nil	Nil
<b>3. Services</b>	Nil	Nil	Nil	Nil	Nil	Nil
i. Vivardhana-Small Enterprise Scheme	1,197.32	539.75	45.08%	1,762.23	208.52	11.83%
ii. Micro Enterprise Scheme	1,10,342.02	805.81	0.73%	1,21,936.95	816.48	0.67%
<b>Total of Services</b>	<b>1,11,539.34</b>	<b>1,345.56</b>	<b>45.81%</b>	<b>1,23,699.18</b>	<b>1,025.00</b>	<b>12.50%</b>
<b>4. Personal Loans</b>	Nil	Nil	Nil	Nil	Nil	Nil
<b>5. Others, if any</b>	Nil	Nil	Nil	Nil	Nil	Nil

4. Intra-group exposures - Nil

5. Unhedged foreign currency exposure - Nil

**Section I - Part B:**

Related Party Disclosure – Refer Note 3.1

**Section I - Part C:**

**Disclosure of complaints**

The company has not received any complaints during the year.

3.15. Value of imports calculated on C.I.F basis by the company during the year in respect of

- i. Raw materials - ₹ Nil (₹Nil)
- ii. Capital goods - ₹ Nil (₹Nil)

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

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



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

### 3.18. 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, 2024 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, 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.

Particulars	Amount in Thousands	
	For the year ended 31 March 2024	For the year ended 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year	54.00	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

**3.19.** No funds 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(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

### 3.20. Additional regulatory disclosures:

a. The company has borrowed funds from banks during the year by giving current assets as security. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of account except for minor differences observed as presented in the below table:

Amount in Thousands					
Quarter	Particulars of Securities Provided	Amount as reported in the quarterly return/ statement	Amount as per books of account	Amount of difference	Reason for material discrepancies
Apr 23- Jun 23	Total book debts (Loan receivables)#	1,88,787.62	1,88,787.62	-	Not applicable since the variances observed are not material.
Jul 23- Sep 23		1,80,396.57	1,80,429.78	(33.21)	
Oct 23 - Dec 23		1,67,907.24	1,67,907.24	-	
Jan 24- Mar 24		1,63,114.36	1,63,114.36	-	

#### # Name of bank/ Debenture Trustee:

Bank – Tamil Nadu Grama Bank, City Union Bank, Indian Bank, State Bank of India  
 Debenture Trustee – IDBI Trusteeship Services Limited

b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority during the year.

c. There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 happened during the year.

d. There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period as at the balance sheet date.

e. The company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

f. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

g. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.



## Vivardhana Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March, 2024

3.21. In assessing the provisioning for loan portfolio, the Company has considered internal and external sources of information available including indicators of deterioration in the macro-economic factors. Further, the management has estimated the impact of the pandemic on its loan portfolio, based on reasonable and supportable information available till date and considering performance after the earlier waves, and has noted that the existing provisioning levels are adequate to cover any further delinquencies. Given the unique nature and scale of the pandemic, its full extent of impact on the Company's operations and financial metrics, more specifically on the borrower's ability to service their obligations on a timely basis, will depend on the severity and duration of the pandemic as well as on highly uncertain future developments including governmental and regulatory measures and the Company's responses thereto. Accordingly, the management's estimate of provisioning based on various variables and assumptions could result in actual credit loss being different than that being estimated.

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

**For Sundar Srini & Sridhar  
Chartered Accountants**

Firm Registration Number: 0042015

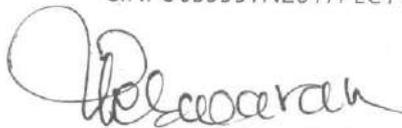


**S. Sridhar  
Partner**

Membership Number: 025504

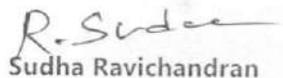
**For and on behalf of the Board of Directors of  
Vivardhana Microfinance Limited**

CIN: U65999TN2017PLC116613



**Eswaran Natesa Sastry  
Managing Director**

DIN: 03519077



**Sudha Ravichandran  
Director**

DIN: 07812004

Place: Chennai

Date: August 09, 2024