

FINVENT FINANCE AND INVESTMENTS LIMITED
BALANCE SHEET AS AT 31 MARCH, 2017

(In Rs.)

	Note	As at 31 Mar 17	As at 31 Mar 16
I. EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3.01	5 30 68 520	5 30 68 520
Reserves and Surplus	3.02	1 72 61 511	1 49 19 088
		7 03 30 031	6 79 87 608
Non-Current Liabilities			
Long Term Borrowings	3.03	58 92 000	1 50 40 000
Other Long Term Borrowings	3.04	48 723	22 723
		59 40 723	1 50 62 723
Current Liabilities			
Short Term Borrowings	3.05	25 09 68 962	19 83 02 869
Other Current Liabilities	3.06	9 26 44 439	5 10 91 733
Short Term Provisions	3.07	39 93 995	30 17 767
		34 76 07 396	25 24 12 369
Total Equities and Liabilities		42 38 78 150	33 54 62 700
II. ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	3.08	90 67 918	86 00 506
Intangible Assets	3.09	5 855	11 568
Intangible Assets (Under development)	3.10	30 000	30 000
		91 03 773	86 42 074
Deferred Tax Asset (Net)	3.11	7 93 700	6 43 800
Long Term Receivables from Financing Activities	3.12	29 03 870	12 64 831
Long Term Loans and Advances	3.13	4 45 942	4 45 942
		41 43 512	23 54 573
Current Assets			
Cash and Cash Equivalents	3.14	14 28 135	18 64 975
Short Term Receivables from Financing Activities	3.15	40 11 60 741	31 75 06 223
Short Term Loans and Advances	3.16	75 43 040	48 66 048
Other Current Assets	3.17	4 98 949	2 28 807
		41 06 30 865	32 44 66 053
Total Assets		42 38 78 150	33 54 62 700

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS 1 to 11

Note: The notes referred to above form an integral part of the Balance Sheet

As per our report of even date attached
For K.VENKATACHALAM AIYER & CO
CHARTERED ACCOUNTANTS
Firm Regn No: 004610 S

For and on Behalf of the Board of Directors of
FINVENT FINANCE AND INVESTMENTS LTD

CA VISHNU MOHAN
Partner
Membership No: 232723

P T ABRAHAM
Chairman and Managing Director

Place : Kottayam
Date : July 25, 2017

SAM V STEPHEN AMAL ABRAHAM
Director Director

FINVENT FINANCE AND INVESTMENTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017

(In Rs.)

	Note	Year Ended 31 Mar 17	Year Ended 31 Mar 16
Revenue			
Revenue From Operations	3.18	11 10 16 402	7 89 56 487
Other Income	3.19	13 17 257	4 14 134
Total Revenue (I)		11 23 33 659	7 93 70 621
Expenses			
Employee Benefit Expenses	3.20	2 45 50 406	1 65 29 429
Finance Costs	3.21	5 37 13 943	3 47 02 506
Depreciation and Amortization Expense	3.08 to 3.10	20 22 212	15 72 006
Administrative and Other Expenses	3.22	2 40 57 323	1 84 29 102
Provisions and Write Offs	3.23	10 80 175	20 39 165
Total Expenses (II)		10 54 24 059	7 32 72 208
Profit Before Tax		69 09 600	60 98 413
Tax Expenses			
Current Tax		23 50 000	24 00 000
Deferred Tax		(1 49 900)	(5 25 000)
Income Tax Adjustment of Earlier Years		1 31 555	38 166
Total Tax Expenses		23 31 655	19 13 166
Profit After Tax		45 77 945	41 85 247
Earning per equity share of Rs.10 each			
Basic and Diluted (in Rs.)	7	0.86	0.92

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS 1 to 11

Note: The notes referred to above form an integral part of the Statement of Profit and Loss

As per our report of even date attached
For K.VENKATACHALAM AIYER & CO
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Place : Kottayam
Date : July 25, 2017

SAM V STEPHEN
Director

AMAL ABRAHAM
Director

FINVENT FINANCE AND INVESTMENTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(in Rs.)

	Year Ended	
	31-Mar-17	31-Mar-16
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit before tax	69 09 600	60 98 413
Adjustments For:-		
Depreciation	20 22 212	15 72 006
Provision Against Non - Performing Assets	8 30 000	15 98 000
Provisions On Standard Assets	50 000	3 98 000
	29 02 212	35 68 006
Operating Profit before charges to Operating Assets and Liabilities	98 11 812	96 66 419
Net (Increase) / Decrease In Operating Assets:-		
Long Term Receivables From Financing Activities	(16 39 039)	(12 64 831)
Short Term Loans And Advances	(26 76 991)	(7 55 980)
Short Term Receivables From Financing Activities	(8 36 54 519)	(13 71 37 014)
Other Current Assets	(2 70 142)	(94 535)
	(8 82 40 691)	(13 92 52 360)
Net Increase/ (Decrease) In Operating Liabilities-		
Other Current Liabilities	44 14 187	81 23 004
	44 14 187	81 23 004
Net changes in Working Capital	(8 38 26 504)	(13 11 29 356)
Cash Generated from Operating Activities	(7 40 14 692)	(12 14 62 937)
Direct Taxes Paid	(23 85 327)	(27 21 925)
Net cash (used in) Operating Activities (A)	(7 64 00 019)	(12 41 84 862)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase Of Fixed Assets including Capital Advance	(24 83 911)	(40 70 639)
Sale/Transfer of Fixed Assets	-	3 80 000
Net cash (used in) Investing Activities (B)	(24 83 911)	(36 90 639)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds from Equity Share Allotment	-	1 55 13 890
Increase In Debentures	3 75 93 755	1 00 11 394
Increase In Secured Borrowings	2 18 05 219	7 80 95 285
Increase In Unsecured Borrowings	2 12 83 638	2 76 63 100
Interim Dividend Paid (including dividend distribution tax)	(22 35 522)	(21 30 603)
Net cash generated from Financing Activities(C)	7 84 47 090	12 91 53 066
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	(4 36 840)	12 77 565
Cash And Cash Equivalents At The Beginning Of The Year	18 64 975	5 87 410

	Year Ended	
	31-Mar-17	31-Mar-16
Cash And Cash Equivalents At The End Of The Year	14 28 135	18 64 975

COMPONENTS OF CASH AND CASH EQUIVALENTS

Cash In Hand	5 58 926	4 93 804
Balances With Banks In Current Account	8 69 209	13 71 171
	<u>14 28 135</u>	<u>18 64 975</u>

1. The cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3, "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

2. Previous year's figures have been regrouped/restated wherever necessary.

As per our report of even date attached
For K.VENKATACHALAM AIYER & CO
CHARTERED ACCOUNTANTS
Firm Regn No: 004610 S

For and on Behalf of the Board of Directors of
FINVENT FINANCE AND INVESTMENTS LTD

CA VISHNU MOHAN
Partner
Membership No: 232723

P T ABRAHAM
Chairman and Managing Director

Place : Kottayam
Date : July 25, 2017

SAM V STEPHEN AMAL ABRAHAM
Director Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

1. CORPORATE INFORMATION

Finvent Finance and Investments Limited (CIN U65923KL2011PLC028662) (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is registered as a Non Banking Finance Company (NBFC) with the Reserve Bank of India. During this year, the company was mainly engaged in financing for purchase of automobiles, mainly two wheelers, against hypothecation of the respective vehicles.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation of financial statement

The financial statements for the year ended 31st March, 2017, have been prepared and presented under historical cost convention and on the accrual basis of accounting in accordance with Indian Generally Accepted Accounting Principles ("GAAP") and in compliance with the provisions of the Companies Act, 2013, mandatory and relevant Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the directions issued by Reserve Bank of India for Non-Banking Financial Companies from time to time, wherever applicable.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of financial services provided and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 36 months for the purpose of current and non-current classification of its assets and liabilities as per requirements of Schedule III of Companies Act 2013.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2.2 Use of Estimates

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as on the date of financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

2.3 Revenue Recognition

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

Income from Financial Services:

- i. Interest on loans and advances is recognized on accrual basis at the contract rate wherever feasible. All other charges relating to financing activities are recognised on accrual basis.

- ii. On assets assigned as per the sellout scheme, income is recognized on accrual basis at the contract rate wherever feasible, in respect of the respective hypothecation loans, over the period of the loan.
- iii. Income in respect of Non-performing assets is recognized as and when received as per the guidelines given in the Master Direction - Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
- iv. Income from Services is recognized on accrual basis as per the terms of the contract.
- v. Other Income is mainly accounted on accrual basis, except in case of significant uncertainties.

2.4 Expenditure

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities. Guarantee commission is apportioned on the basis of the period of the loan for which the guarantee is offered.

2.5 Tangible Fixed Assets

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebate are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value, only if it increases the future benefit of the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repairs and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit & Loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amounts of the asset and are recognized in the Statement of Profit & Loss when the asset is de-recognized.

2.6 Depreciation and Amortisation

On Tangible Fixed Assets:

Depreciation on fixed assets is calculated on Straight Line basis. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 and in accordance with revised Accounting Standard 10: Property, Plant and Equipment issued by the Ministry of Corporate Affairs on 30th March 2016. .

The company has adopted the following useful years of life to provide depreciation on its fixed assets:

SI No	Description of the Asset	Useful Years of life
1	Furniture and Fixtures	10
2	Computer and Accessories	3
3	Office Equipments	5
4	Server	6
5	Motor Cycle	10

On Intangible Assets and Amortisation thereof:

Intangible assets are recognised consistent with the criteria specified in the Accounting Standard - 26 "Intangible Assets" as prescribed by Companies (Accounting Standard) Rules, 2006. The Intangible assets acquired separately are measured on initial recognition on cost. Following the initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding development cost, are not capitalized.

The amortization period and amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit & Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from the de recognition of an Intangible Asset are measured as the difference between the net disposal proceeds and carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

2.7 Lease

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term.

2.8 Receivables from Financing Activities

The Company has followed the Master Directions dated 09 March 2017 issued by the Reserve Bank of India for Non Banking Financial Companies in respect of Prudential Norms for Income Recognition, Asset Classification, Accounting Standards, provisioning / writing off for bad and doubtful debts, Capital Adequacy and Concentration of credit / investments.

Hypothecation Loans

- i. Hypothecation loans are stated at the amounts advanced including finance charges accrued and due, as reduced by amounts received against the due amount, up to Balance Sheet date.
- ii. Repossessed automobile assets are valued at lower of book value and estimated realizable value.
- iii. Interest on hypothecation loans is recognized on accrual basis up to the current reporting date.

2.9 Income Tax

Tax expense comprises of Current and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and the reversal of timing differences of the earlier years.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax asset against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxation authority.

2.10 Segment Reporting

The company's business activity primarily falls within a single business segment which constitutes Financing Activities. Hence, there are no additional disclosures required under Accounting Standard 17 'Segment Reporting'.

The Company operates primarily in India; hence there is no other significant geographical segment that requires the disclosure.

2.11 Related Party Disclosures

Disclosures are made as per the requirements of the Accounting Standard 18 and as per the clarifications issued by Institute of Chartered Accountants of India.

2.12 Earnings per Share

The Company reports basic earnings per share in accordance with Accounting Standard 20 "Earnings per Share", issued by the ICAI. Basic earnings per share have been computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year. For the purpose of calculating diluted earnings per share, the net profit after tax and the weighted average number of shares outstanding for the year are adjusted for the effects of all dilutive potential equity shares.

2.13 Cash and Cash Equivalents

Cash and Cash Equivalents in the cash flow statements comprise cash at hand and at bank, remittances in transits and short term investments with an original maturity period of three months or less.

2.14 Material Events

Material Events occurring after the Balance Sheet date are taken into cognizance.

2.15 Expenses on Debentures

The interest on Debentures is recognized on accrual basis at the rate applicable to each scheme. The brokerage incurred on Debenture is treated as expenditure in the year in which it is incurred.

2.16 Provisions other than that of Non Performing Assets

A provision is recognised when the Company has a present, legal or constructive obligation as a result of past event for which it is probable that an outflow of resources embedding economic benefits will be required to settle the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.17 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence if it exist in the financial statements.

2.18 Classification and Provisioning of Assets as per RBI Guidelines

As per the guidelines given in the Prudential Norms for Non Banking Financial Companies prescribed by the Reserve Bank of India, the Company makes adequate provisions against Non Performing Assets as required by paragraph 12 of the Non-Banking Financial Company - Non-Systemically Important Non - Deposit taking Company (Reserve Bank) Directions, 2016 dated 09 March 2017.

i. Standard Assets:

Provision against Standard Assets is made at the rate of 0.25% as required by Paragraph 14 of the Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated 09 March 2017.

ii. Sub-standard, Doubtful and Loss Assets:

Provision as required by paragraph 13 of the Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated 09 March 2017.

3 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31 MARCH, 2017

Previous year figures have been reworked, re-grouped, re-arranged and reclassified to conform to the current year's presentation.

SHAREHOLDERS FUNDS

3.01 SHARE CAPITAL

The Authorized, Issued, Subscribed and Fully paid-up share capital comprises of equity shares having a par value of Rs.10 each as follows

Particulars	As at	
	31 Mar 17	31 Mar 16
Authorized		
75,00,000 equity shares of Rs. 10 par value	7 50 00 000	7 50 00 000
Issued		
74,90,412 equity shares of Rs.10 par value	7 49 04 120	7 49 04 120
Subscribed and Paid up		
53,06,852 equity shares of Rs.10 par value	5 30 68 520	5 30 68 520
	<u>5 30 68 520</u>	<u>5 30 68 520</u>

Reconciliation of the number of equity shares outstanding and the amount of share capital as at 31st March 2017 and 31st March 2016 is set out below :

Particulars	As at 31st March 2017		As at 31st March 2016	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
At the beginning of the year	53 06 852	5 30 68 520	40 40 412	4 04 04 120
Add: Issue of shares during the year	-	-	12 66 440	1 26 64 400
At the end of the year	53 06 852	5 30 68 520	53 06 852	5 30 68 520

Shareholders holdings more than 5% of the shares in the Company

Particulars	Number of Equity Shares				Amount(Rs.)	
	As at		As at		As at	As at
	31 Mar 17	%	31 Mar 16	%	31 Mar 17	31 Mar 16
P T Abraham	10 28 228	19.38%	10 28 228	19.38%	1 02 82 280	1 02 82 280
Amal Abraham	8 16 866	15.39%	7 76 050	14.62%	81 68 660	77 60 500
Sam V Stephen	5 16 666	9.74%	5 16 666	9.74%	51 66 660	51 66 660
Total	23 61 760		23 20 944		2 36 17 600	2 32 09 440

Rights, preferences and restrictions attached to shares

The Company has only one class of Equity Shares having par value of Rs.10 each. Each share holder is eligible for one vote per share held.

The Company declares and pays dividends in Indian Rupees. The Board of Directors in their meeting held on 25th February, 2017 declared an interim dividend of 3.5% per equity share. The total dividend appropriation for the year ended 31st March, 2017 amounted to Rs.22,35,522/- including corporate dividend tax of Rs.3,78,122/-.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive balance if any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

3.02 RESERVES AND SURPLUS

(In Rs.)

Particulars	As at	
	31 Mar 17	31 Mar 16
Securities Premium Account		
At the beginning of the year	54 30 314	25 80 824
Add: Additions on shares issued during the year	-	28 49 490
At the end of the year	<u>54 30 314</u>	<u>54 30 314</u>
Statutory Reserve		
(As per Section 45-IC of the Reserve Bank of India Act, 1934)		
At the beginning of the year	24 06 000	15 06 000
Add: Transfer from Surplus in the Statement of Profit and Loss	10 00 000	9 00 000
At the end of the year	<u>34 06 000</u>	<u>24 06 000</u>
General Reserve		
At the beginning of the year	5 00 000	-
Add: Transfer from Surplus in the Statement of Profit and Loss	5 00 000	5 00 000
At the end of the year	<u>10 00 000</u>	<u>5 00 000</u>
Surplus in the Statement of Profit & Loss		
At the beginning of the year	65 82 774	59 28 130
Add: Profit for the year	45 77 945	41 85 247
Total	<u>1 11 60 719</u>	<u>1 01 13 377</u>
Less: Appropriations		
Transfer to Statutory Reserve as per Reserve Bank Of India Act, 1934	(10 00 000)	(9 00 000)
Transfer to General Reserves	(5 00 000)	(5 00 000)
Dividend		
Interim Dividend	(18 57 400)	(17 70 227)
Dividend Tax	(3 78 122)	(3 60 376)
Total	<u>(37 35 522)</u>	<u>(35 30 603)</u>
At the end of the year	<u>74 25 197</u>	<u>65 82 774</u>
Total	<u>1 72 61 511</u>	<u>1 49 19 088</u>

3.03 LONG TERM BORROWINGS

(In Rs.)

Particulars	As at	
	31 Mar 17	31 Mar 16
Secured		
Term Loan from South Indian Bank	56 92 000	1 48 40 000
Non-Convertible Debentures	2 00 000	2 00 000
Total	<u>58 92 000</u>	<u>1 50 40 000</u>

Security of the Term Loan from South Indian Bank

The Term Loan obtained from South Indian Bank amounting to Rs.3,30,33,497/- has been personally guaranteed by the following people, namely P T Abraham, Amal Abraham, George Mathew, Johny Joy, Jose T John, Sam V S, Justin John, George Mathew (share holder), Achamma John, Binu Stephen and Biju Stephen.

A.Primary Security -

(i) Long term performing assets/receivables not older than 30 months.

B.Collateral Security -

(i). Equitable Mortgage by deposit of title deeds of 49.2 ares of vacant land under Re Sy No 173/3 & 173/12 of Peroor Village, Kottayam Taluk in the name of Director Mr Sam V S.

(ii). Equitable Mortgage by deposit of title deeds of 40.48 ares of land under Sy No 615/4-2 of Kothanalloor Village, Vaikom Taluk, Kottayam District in the name of Mr. George Mathew.

(iii). Equitable Mortgage by deposit of title deeds of 4.45 ares of land with residential building at Re Sy No 624/3/1, Athirampuzha Village, Kottayam Taluk in the name of Justin John.

(iv). Equitable Mortgage by deposit of title deeds of 14.48 ares of land with building at Re Sy No 295/3/2 & 305/4/5, Kumarakom Village, Kottayam Taluk in the name of Justin John.

(v). Equitable Mortgage by deposit of title deeds of 2.24 ares of land at Re Sy No 295/3/7, Kumarakom Village, Kottayam Taluk in the name of Mrs.Achamma John.

(vi) EM of 31.80 ares of land with residential building in Re Sy No 265/3 and 265/4, Veliyannoor Village, Meenachil Taluk, Kottayam District in the name of Biju Stephen and Binu Stephen.

Period

Name of the Bank	Account No	Period for Repayment
South Indian Bank - Term Loan	0037652000001535	60 Equivated monthly Instalments
South Indian Bank - Term Loan	0037652000001603	84 Equivated monthly Instalments

Rate of interest as on the Balance Sheet Date

Name of the Bank	Account No	Rate of Interest
South Indian Bank - Term Loan	0037652000001535	11.30%
South Indian Bank - Term Loan	0037652000001603	11.30%

Maturity of Term Loan from South Indian Bank

	(In Rs.)					
	For the Financial Year 2016-2017			For the Financial Year 2015-2016		
	Current	Non-Current	Total	Current	Non-Current	Total
South Indian Bank	2 73 41 497	56 92 000	3 30 33 497	2 77 70 733	1 48 40 000	4 26 10 733
Total	2 73 41 497	56 92 000	3 30 33 497	2 77 70 733	1 48 40 000	4 26 10 733

The above mentioned Term Loans do not include the loan of Rs 12,20,67,647/- (Balance Outstanding as on 31.03.2017 Rs.3,30,10,447/-) against the sellout of Receivables from Financing Activities in favour of Muthoot Capital Services Limited.

Secured Term Loans from South Indian Bank grouped as under:

(In Rs.)

Particulars	Reference Note No	As at	
		31 Mar 17	31 Mar 16
Term Loans from South Indian Bank	3.03	56 92 000	1 48 40 000
Current Maturities of Term Loans from South Indian Bank	3.06	2 73 41 497	2 77 70 733
Total		3 30 33 497	4 26 10 733

2. DEBENTURES

The Company has issued Redeemable Non-Convertible Debentures on Private Placement basis in various series. The debentures issued under each series have a repayment period depending on the scheme it falls under. The debentures are repaid within a period of 1 to 5 years, depending on the schemes. The schemes range from Monthly, Annual and Maturity Interest Payment. The rate of interest range from 12.00% to 13.00% per annum.

The issued debentures are secured by Pari Pasu First Charge On Outstanding Hypothecation On Two Wheelers and Gold Loan Receivable both present and future.

Maturity Pattern of Debentures

(In Rs.)

Interest Rate % per annum	For the Financial Year 2016-17			For the Financial Year 2015-2016		
	Current	Non- Current	Total	Current	Non-Current	Total
>12 - 13	4 63 74 000	2 00 000	4 65 74 000	97 00 000	2 00 000	99 00 000
Total	4 63 74 000	2 00 000	4 65 74 000	97 00 000	2 00 000	99 00 000

Secured Non Convertible Debentures grouped as under:

(In Rs.)

Particulars	Reference Note No	As at	
		31 Mar 17	31 Mar 16
Non-Current Portion of Non-Convertible Debenture	3.03	2 00 000	2 00 000
Current Portion of Non-Convertible Debenture	3.06	4 63 74 000	97 00 000
Total		4 65 74 000	99 00 000

3.04 OTHER LONG TERM BORROWINGS

(In Rs.)

Particulars	As at	
	31 Mar 17	31 Mar 16
Secured		
Interest Accrued But not Due on Non-Current portion of Debenture	48 723	22 723
Total	48 723	22 723

Current portion of interest accrued on the above borrowings amounting to Rs.9,82,426/- is shown in Note No. 3.06 under Other Current Liabilities (March 31, 2016: 88,671/-)

3.05 SHORT TERM BORROWINGS

(In Rs.)

Particulars	As at	
	31 Mar 17	31 Mar 16
Secured Loans		
South Indian Bank - Cash Credit Open Loan	15 13 23 015	15 16 03 560
Muthoot Capital Services Limited - Term Loan	3 16 63 000	-
Unsecured Loans		
Loans from Directors	3 76 04 169	1 77 26 209
Muthoot Capital Services Limited	3 03 78 778	2 89 73 100
Total	25 09 68 962	19 83 02 869

1. CASH CREDIT OPEN LOAN FROM SOUTH INDIAN BANK

The Cash Credit Open Loan obtained from South Indian Bank amounting to Rs.15,13,23,015/- has been personally guaranteed by the following people, namely P T Abraham, Amal Abraham, George Mathew, Johny Joy, Jose T John, Sam V S, Justin John, George Mathew (share holder), Achamma John, Binu Stephen and Biju Stephen.

Security of the Cash Credit Open Loan from South Indian Bank

A.Primary Security -

(i) Hypothecation of entire current assets.

B.Collateral Security -

(i). Equitable Mortgage by deposit of title deeds of 49.2 ares of vacant land under Re Sy No 173/3 & 173/12 of Peroor Village, Kottayam Taluk in the name of Director Mr Sam V S.

(ii). Equitable Mortgage by deposit of title deeds of 40.48 ares of land under Sy No 615/4-2 of Kothanalloor Village, Vaikom Taluk, Kottayam District in the name of Mr. George Mathew.

(iii). Equitable Mortgage by deposit of title deeds of 4.45 ares of land with residential building at Re Sy No 624/3/1, Athirampuzha Village, Kottayam Taluk in the name of Justin John.

(iv). Equitable Mortgage by deposit of title deeds of 14.48 ares of land with building at Re Sy No 295/3/2 & 305/4/5, Kumarakom Village, Kottayam Taluk in the name of Justin John.

(v). Equitable Mortgage by deposit of title deeds of 2.24 ares of land at Re Sy No 295/3/7, Kumarakom Village, Kottayam Taluk in the name of Mrs.Achamma John.

(vi) EM of 31.80 ares of land with residential building in Re Sy No 265/3 and 265/4, Veliyannoor Village, Meenachil Taluk, Kottayam District in the name of Biju Stephen and Binu Stephen.

Period

Name of the Bank
South Indian Bank -CCOL

Period for Repayment
12 months

Rate of interest as on the Balance Sheet Date

Name of the Bank

Rate of Interest

2. Term Loan from Muthoot Capital Services Limited

During the year, the company has availed secured term loan from Muthoot Capital Services Limited . The company pays interest is 16% per annum. The balance outstanding as on March 31,2017 was Rs.3,16,63,000/-(March 31, 2016: Rs.Nil).

Security of the Term Loan from Muthoot Capital Services LimitedA.Primary Security -

(i) Hypothecation of future receivables created from on lending of two wheeler loans

B.Collateral Security -

Post dated Cheques for the entire repayment

- i) Personal guarantee of Mr. P.T Abraham
- ii) Personal guarantee of Mr. Amal Abraham

3. Loan From Directors

The company has entered into transactions involving receipts and re-payments of different amounts with the directors of the company. The balance outstanding as on March 31, 2017 was Rs.3,76,04,169/- (March 31, 2016: Rs.1,77,26,209/-).The rate of Interest is 12% per annum.

4. Unsecured Loans From Muthoot Capital Services Limited

During the year, the company has availed unsecured loans from Muthoot Capital Services Limited . The company pays interest between 19% to 21% per annum. The balance outstanding as on March 31,2017 was Rs.3,03,78,778/- (March 31, 2016: Rs.2,89,73,100/-).

3.06 OTHER CURRENT LIABILITIES

(In Rs.)

Particulars	As at	
	31 Mar 17	31 Mar 16
Current maturities of Long Term Debt		
Term Loan from South Indian Bank (Secured)	2 73 41 497	2 77 70 733
Non Convertible Debenture	4 63 74 000	97 00 000
Interest accrued on Borrowings		
Debenture	9 82 426	88 671
MCSL Term loan	74 950	-
MCSL Loan Sellout	72 364	1 23 571
Other Payables		
Withholding Taxes	4 29 088	3 04 610
Dealer Balances*	1 20 62 616	92 11 621
Creditors for Expenses**	31 23 567	21 49 654
Statutory Dues	4 00 074	4 82 002
Other Current Liabilities	17 83 857	12 60 871
Total	9 26 44 439	5 10 91 733

* Dealer Balances of Rs 1,20,62,616/- include an amount of Rs.30,70,404/- (31 March, 2016 :Rs.10,93,504/-)

payable to Related Party

** Creditors for Expenses of Rs 31,23,567/- includes an amount of Rs.2,19,311/- (31 March, 2016 :Rs.22,950/-) payable to Related Parties

3.07 SHORT TERM PROVISIONS

Particulars	(In Rs.)	
	31 Mar 17	31 Mar 16
Provision for tax (Net of Advance tax) *	4 93 995	3 97 767
Contingency provisions against standard assets -made @0.25% of the outstanding Standard Assets	9 70 000	9 20 000
Provision For Non Performing Assets	25 30 000	17 00 000
Total	<u>39 93 995</u>	<u>30 17 767</u>

* Provision for Income Tax represents the tax provision remaining as on the balance sheet date after setting off the advance tax paid during the year against the tax due for the assessment year 2017-18

FIXED ASSETS

3.08 - TANGIBLE ASSETS

(in Rs.)

Description	Gross Block					Depreciation	Net Block		
	As at April 1, 2016	Additions during the year	Disposal during the year	As at March 31, 2017	As at April 1, 2016	For the Year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Furniture And Fixtures	57 65 322	12 40 196	-	70 05 518	8 35 921	6 31 820	14 67 741	55 37 777	49 29 401
Office Equipment	24 50 626	6 57 477	-	31 08 103	5 44 219	5 30 605	10 74 824	20 33 279	19 06 407
Vehicles	44 986	-	-	44 986	9 724	4 271	13 995	30 991	35 262
Computer & Accessories	24 14 105	5 86 238	-	30 00 343	9 40 013	7 97 601	17 37 614	12 62 729	14 74 092
Servers	3 30 000	-	-	3 30 000	74 656	52 202	1 26 858	2 03 142	2 55 344
Total	1 10 05 039	24 83 911	-	1 34 88 950	24 04 533	20 16 499	44 21 032	90 67 918	86 00 506

3.09 - INTANGIBLE ASSETS

(in Rs.)

Description	Gross Block					Depreciation	Net Block		
	As at April 1, 2016	Additions during the year	Disposal during the year	As at March 31, 2017	As at April 1, 2016	For the Year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Image	30 084	-	-	30 084	18 516	5 713	24 229	5 855	11 568
Total	30 084	-	-	30 084	18 516	5 713	24 229	5 855	11 568

3.10 - INTANGIBLE ASSETS (UNDER DEVELOPMENT)

(in Rs.)

Description	Gross Block					Depreciation	Net Block		
	As at April 1, 2016	Additions during the year	Disposal during the year	As at March 31, 2017	As at April 1, 2016	For the Year	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Trademarks	30 000	-	-	30 000	-	-	-	30 000	30 000
Total	30 000	-	-	30 000	-	-	-	30 000	30 000
Grand Total	1 10 65 123	24 83 911	-	1 35 49 034	24 23 049	20 22 212	44 45 261	91 03 773	86 42 074

Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful life as specified in Schedule II of the said Act to provide for depreciation.

3.11 DEFERRED TAX ASSET (Net)

Particulars	(In Rs.)	
	As at 31 Mar 17	31 Mar 16
Provision for NPA and Others	9 79 900	8 40 500
Preliminary Expenses charged off to the Statement of Profit and Loss, but allowed as expense under tax laws in 5 years	38 600	86 600
Impact of Difference between Tax depreciation and depreciation charged for Financial Reporting	(2 24 800)	(2 83 300)
Total	<u>7 93 700</u>	<u>6 43 800</u>

Deferred tax asset and deferred tax liabilities have been offset wherever the Company has legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relating to the same taxation authority.

3.12 LONG TERM RECEIVABLES FROM FINANCING ACTIVITIES

Particulars	(In Rs.)	
	As at 31 Mar 17	31 Mar 16
Secured, considered good unless otherwise stated Hypothecation Loan	29 03 870	12 64 831
Total	<u>29 03 870</u>	<u>12 64 831</u>

The summary of the receivables from Hypothecation Loan appear in the financial statements in the manner shown below

Particulars	Reference Note No	(In Rs.)	
		As at 31 Mar 17	31 Mar 16
Long Term Receivables From Financing Activities	3.12	29 03 870	12 64 831
Principal outstanding of current maturities of Hypothecation loan	3.15	42 78 73 341	35 09 33 718
Total		<u>43 07 77 211</u>	<u>35 21 98 549</u>

3.13 LONG TERM LOANS AND ADVANCES

Particulars	(In Rs.)	
	As at 31 Mar 17	31 Mar 16
Unsecured, considered good		
Security Deposits Considered Good	4 45 942	4 45 942
Total	<u>4 45 942</u>	<u>4 45 942</u>

3.14 CASH AND CASH EQUIVALENTS

Particulars	(In Rs.)	
	As at 31 Mar 17	31 Mar 16
Cash and Cash Equivalents		
Balances with Banks in Current Accounts	8 69 209	13 71 171

Cash on Hand		5 58 926	4 93 804
	Total	<u>14 28 135</u>	<u>18 64 975</u>

Details of balance as on Balance Sheet date with banks are as follows:

Particulars	(In Rs.)	
	As at 31 Mar 17	31 Mar 16
Balances with Banks in Current Account		
Name of the Bank		
South Indian Bank	6 59 500	12 80 805
State Bank of India (Formerly known as State Bank of Travancore)	1 22 128	86 564
Axis Bank	87 581	3 802
	<u>8 69 209</u>	<u>13 71 171</u>
	Total	

3.15 SHORT TERM RECEIVABLES FROM FINANCING ACTIVITIES

Particulars	(In Rs.)	
	As at 31 Mar 17	31 Mar 16
(Secured, considered good unless otherwise stated)		
Principal outstanding in current maturity of:		
Hypothecation Loan *	42 78 73 341	35 09 33 718
Less : Sellout of Receivables from Financing Activities in favour of Muthoot Capital Services Limited **	(3 30 10 447)	(3 72 43 247)
Net Receivable	<u>39 48 62 894</u>	<u>31 36 90 471</u>
Gold Loan	24 51 466	7 57 007
Demand Promissory Note (Unsecured)	6 47 370	5 20 523
Interest Accrued on:		
Hypothecation Loan	31 50 128	24 97 641
Gold loan	48 884	40 581
	<u>40 11 60 741</u>	<u>31 75 06 223</u>
	Total	

* All assets shall be classified as current when it is expected to be realized in or is intended for sale or consumption in the Company's Normal Operating Cycle of 36 months.

The company is mainly engaged in the business of providing hypothecation loans for two wheelers and four wheelers. As per the scheme of extending the finance, the borrower has to repay the principal together with interest over the repayment period in Equated Monthly Installments (EMIs). The repayment period varies from 6 to 60 months. Consequently, the period for realization / recovery of a hypothecation advance given to a borrower from the date of giving advance varies from 6 to 60 months.

** Refer Note 8 - Particulars of Loan taken from Muthoot Capital Services Limited against the Sellout of Receivables from Financing Activities in favour of Muthoot Capital Services Limited

Maturity Pattern of Hypothecation Loan:

Particulars	(In Rs.)	
	For the Financial Year 2016-17	For the Financial Year 2015-16

Particulars	31 Mar 2017			31 Mar 2016		
	Current	Non Current	Total	Current	Non Current	Total
Hypothecation Loan	42 78 73 341	29 03 870	43 07 77 211	35 09 33 718	12 64 831	35 21 98 549
from Financing Activities in favour of Muthoot Capital Services Limited	(3 30 10 447)	-	(3 30 10 447)	(3 72 43 247)	-	(3 72 43 247)
Total	39 48 62 894	29 03 870	39 77 66 764	31 36 90 471	12 64 831	31 49 55 302

Disclosure on loan against gold as at March 31, 2017 Vide RBI notification DNBS(PD)241/CGM (US)-2012 dated March 21, 2012:

Particulars	As at	
	31 Mar 17	31 Mar 16
Total Assets	42 38 78 150	33 54 62 700
Total Loan against Security of Gold Jewellery	24 51 466	7 57 007
Percentage of Gold Loan on Total Assets	0.58%	0.23%

3.16 SHORT TERM LOANS AND ADVANCES

Particulars	As at	
	31 Mar 17	31 Mar 16
(Unsecured, considered good unless otherwise stated)		
Security Deposit		
Considered Good	25 60 000	20 00 000
Trade Advance *	34 30 741	14 45 107
Other Advance**	15 52 299	14 20 941
Total	75 43 040	48 66 048

* Trade Advance of Rs.34,30,741/- include an amount of Rs.2,89,169/- (31 March, 2016 :Rs.Nil) being trade advance to Related Parties

** Other Advance of Rs.15,52,299/- include an amount of Rs.2,08,300/- (31 March, 2016 :Rs.2,08,331/-) being advance to Related Parties

3.17 OTHER CURRENT ASSETS

Particulars	As at	
	31 Mar 17	31 Mar 16
Other Receivables	4 98 949	1 25 695
Repossessed Asset (Net of Provisions)	-	1 03 112
Total	4 98 949	2 28 807

STATEMENT OF PROFIT AND LOSS

3.18 REVENUE FROM OPERATIONS

Particulars	Year Ended	
	31 Mar 17	31 Mar 16
Income from Financing Operations		

Hypothecation Loans		11 04 26 229	7 81 92 376
Gold Loan		2 27 727	1 75 850
Demand Promissory Note		3 62 446	3 63 320
Interest On Trade Advance		-	2 24 941
	Total	<u>11 10 16 402</u>	<u>7 89 56 487</u>

3.19 OTHER INCOME

(In Rs.)			
Particulars	Year Ended		
	31 Mar 17	31 Mar 16	
Discount Received	63 211	6 869	
Exchange Gain	4 632	1 587	
Other Non Operating Income	12 49 414	4 05 678	
	Total	<u>13 17 257</u>	<u>4 14 134</u>

3.20 EMPLOYEE BENEFIT EXPENSES

(In Rs.)			
Particulars	Year Ended		
	31 Mar 17	31 Mar 16	
Salaries & Wages	2 17 49 739	1 51 28 803	
Incentive to Employees	18 29 517	10 54 597	
Provident Fund	2 51 478	-	
Staff Welfare Expenses	6 900	13 610	
Other Expenses			
Bonus	5 68 593	2 58 500	
Training Expenses	1 44 179	73 919	
	Total	<u>2 45 50 406</u>	<u>1 65 29 429</u>

3.21 FINANCE COSTS

(In Rs.)			
Particulars	Year Ended		
	31 Mar 17	31 Mar 16	
Interest Expenses			
Bank Loans	2 39 33 722	1 95 07 749	
Interest on Term Loan -MCSL	61 90 067		
Unsecured loans from Muthoot Capital Services Limited	58 98 443	62 77 280	
Sellout of Receivables from Financing Activities in favour of Muthoot Capital Services Limited	67 29 916	37 49 081	
Unsecured loans from Directors	37 01 808	17 95 691	
Secured Non-Convertible Debentures	32 83 930	3 52 125	
Unsecured loans from Muthoot Bankers	-	56 160	
Other Borrowing Cost			
Guarantee Commission paid	23 33 260	24 08 340	
Processing Fees	10 99 948	4 20 280	
Commission-Debenture	5 42 849	1 35 800	
	Total	<u>5 37 13 943</u>	<u>3 47 02 506</u>

3.22 ADMINISTRATIVE AND OTHER EXPENSES

(In Rs.)			
Particulars	Year Ended		
	31 Mar 17	31 Mar 16	
Incentive Paid to Dealers and executives	59 84 027	62 05 495	

Legal and Professional Charges	50 05 028	24 42 876
Rent	29 14 895	21 04 742
Miscellaneous Expense	11 18 805	14 48 887
Business Promotion Expense	17 72 297	6 11 775
Communication Expenses	14 06 743	8 40 560
Travelling and Conveyance Expenses	13 81 054	8 86 032
Loss on Foreclosure	-	3 84 833
Insurance	13 28 416	2 22 825
Power and Fuel	4 87 105	3 79 491
Advertisement Expenses	6 01 499	8 41 161
Printing & Stationery	5 84 281	6 78 669
Recruitment Expenses	5 81 385	2 96 717
Repairs and Maintenance	3 93 792	2 80 925
Audit Fee	3 42 146	4 09 139
Rates & Taxes (excluding taxes on income)	1 35 278	3 72 750
Internal Audit expense	17 816	-
Discount Allowed	2 757	22 225
Total	<u>2 40 57 323</u>	<u>1 84 29 102</u>

Payment to Statutory Auditors

Particulars	(In Rs.)	
	Year Ended 31 Mar 17	Year Ended 31 Mar 16
Audit	1 38 750	1 25 000
Company Law Compliance Matters	1 32 250	1 66 698
Other Services	71 146	1 17 441
Total	<u>3 42 146</u>	<u>4 09 139</u>

3.23 PROVISIONS AND WRITEOFFS

Particulars	(In Rs.)	
	Year Ended 31 Mar 17	Year Ended 31 Mar 16
Provision against Non Performing Assets	8 30 000	15 98 000
Provision For Standard Assets	50 000	3 98 000
Provision For Repossessed Assets	(22 000)	22 000
Loss on Sale of repossessed asset	2 22 175	21 165
Total	<u>10 80 175</u>	<u>20 39 165</u>