

# YOGAKSHEMAM LOANS LIMITED



**25TH ANNUAL REPORT 2015-16**

## CORPORATE INFORMATION

### Board of Directors

**Mr. Narayanan N D**

Chairman

**Mr. Unnikrishnan I**

Managing Director & CEO

**Mr. Vijayan N D**

Executive Director

**Mr. Ramachandran Ottapathu**

Non Executive Director

**Mr. Pasupathy P N**

Independent Director

**Dr. Pushpangadan Mangari**

Independent Director

**Mr. Anoop Ganapathi**

Independent Director

### Senior Management Team

**Mr. Rajeshkumar K Pillai**

EVP & Company Secretary

**Mr. Krishnamurthy K A**

Chief General Manager

**Mr. Prasad P**

Chief Financial Officer

### Our Bankers Banks

Axis Bank Limited

Canara Bank

Catholic Syrian Bank Limited

Central Bank of India

Dhanlaxmi Bank Limited

Federal Bank Limited

HDFC Bank Limited

ICICI Limited

Indian Bank

Punjab National Bank

South Indian Bank Limited

State Bank of Hyderabad

State Bank of India

State Bank of Travancore

Union Bank of India

### Registered office

Yogakshemam Loans Limited ,

Yogakshemam Apartment ,

Kallingal Lane, Thiruvambadi,

Thrissur-680022, Kerala, India

Phone : 0487 2338984

Website : [www.yogloans.com](http://www.yogloans.com)

Email ID : [cs@yogloans.com](mailto:cs@yogloans.com)

### Investors Contact

**Mr. Rajeshkumar K Pillai**

EVP & Company Secretary

Phone: 0487-2338984

Email ID:[hod.invest@yogloans.com](mailto:hod.invest@yogloans.com),

[cs@yogloans.com](mailto:cs@yogloans.com)

### Registrar and Transfer Agent

SKDC Consultants Limited ,

Kanapathy Towers, Sathy Road,

Ganapathy, Coimbatore-641006

Phone: +91 422 6549995,

2539835-836

Fax: +91 422 2539837

Email: [info@skdc-consultants.com](mailto:info@skdc-consultants.com)

[www.skdc-consultants.com](http://www.skdc-consultants.com)

### Debenture Trustee

Adv. K K Vijayakumar

Karimpanakkal House,

“Poornendhu”, Eravimangalam

Thrissur

Phone-+91 9846350709

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## **Our Vision**

**“To be one of the most trusted financial solution providers in India, with special focus on emerging segments of our society, through a nationwide and efficient network.”**

## Our origin

**Yogakshemam** has its origin from the Yajur Veda with the mantra Yogakshemo NahKalpataam. The word (Yogam) means to achieve what one desires and (Kshemam) means to keep safe & secure what one has already achieved.

A group of enthusiastic youngsters under the leadership of Mr.N.D. Narayanan decided to explore their entrepreneurial quest and joined to form the Company namely Yogakshemam Kuries and Loans Ltd., in the year 1991 at Thrissur, a small town in Kerala, where 3 private sector banks and an upcoming small finance bank have their head quarters. On 7<sup>th</sup> March 2012, the name of the company was changed to Yogakshemam Loans Ltd., (YLL) in short. During the initial days the company was carrying the business of Kuries and loans and later on it became an NBFC and got registered with Reserve Bank of India (RBI) on-3<sup>rd</sup> August 2000 as a loan company.

## Our Business

Over the last 25 years, we have been predominantly into gold loan business- giving loan against house hold gold jewellery and to a limited extend, were financing small business and loan against the security of immovable property. The year 2014-15 was very significant for the company, its board initiated a series of structural changes by bringing in very experienced industry specialist and investors to fuel its leap forward. The board was able to bring in Mr. I Unnikrishnan and Mr. Ramachandran Ottapathu as strategic investors to build up its equity capital for future growth. Mr. I Unnikrishnan was appointed as the Managing Director from 6<sup>th</sup> December 2014. (Credentials of Mr. Unnikrishnan and Mr. Ramachandran are given separately) Board was expanded and strengthened by the appointment of reputed personalities as independent

**Over the years the company has evolved as a credit institution with capabilities in management of multiple credit products, both secured and unsecured with a growing clientele of highly satisfied borrowers.**

directors. It has also taken further bold steps to rope in experienced senior executives, professionals and subject experts to steer the company to new dimensions. Details of board and management are given in the following pages.

With the strengthening of the management, by inducting right people at the right place, the company started to build up a diversified loan portfolio and presently our loan book consists of;

**Gold loan,**

**Business support Micro loans,**

**Mortgage backed SMEloans, and**

**Vehicle loans.**

We have deep rooted customer base and penetration in the rural and semi urban pockets in the state of Kerala and are in the forefront of national agenda of financial inclusion. We are banking those customers who are in the lower strata of the social pyramid where formal banking system is yet to reach. As an NBFC registered with the Reserve Bank of India, we provide formal credits to the people who require nominal credit limits with minimal formalities. While simple formalities and speedy disbursal of loans are our unique features, strong customer loyalty, affordable and friendly repayment options make us the friendly financial partner of thousands of borrowers.

Over the years the company has evolved as a credit institution with capabilities in management of multiple credit products both secured and

unsecured with a growing clientele of highly satisfied borrowers.

### Our mission

“Our organization will strive to provide best financial solutions to the customers with highest levels of professionalism in every aspect of their dealings with them. All interactions with all shades of our stakeholders would be based on our core values of ethical, transparent and trustworthy conduct, creating and enhancing confidence in them.

Our dedicated team will always remain committed to delivering genuine value to its stakeholders through innovative ideas using appropriate technologies and matched by high level execution capabilities and standards.

We would ensure a culture of learning (and unlearning wherever required), in the team, in order to achieve higher standards of service excellence that would go beyond the expectations of customers, employees, shareholders and other stakeholders.

Courteous approach, commitment to serve, caring and a deep sense of integrity in dealings will be the hallmark of the organization.

We shall acknowledge, share and appreciate the achievements of each member of our family in the true spirit of a winnable team.”

Above all, all members of our family would strive to be better human beings.

As our name Indicates, Yogakshemam has a broader objective of ‘welfare of the people.’. Yogakshemam with its tailor made loan products is closer to the people who are aspiring for a better life.

The diversified loan portfolios of the company helps in minimizing the risk associated with single product lending models. It also helps the organization to gain experience over multiple

**Simple formalities, instant credit and transparent process followed by the company makes gold loan dearer to thousands of customers in meeting their short term financial requirements.**

lending products similar to that of commercial banks.

### Our Products

The company is presently providing the following type of loans as mentioned earlier;

GoldLoan – on the security of house hold used jewellery

Business support Micro Loans

Mortgage backed SME loans and

Vehicle loans

### **‘Gold loans- reliable and relevant always**

Goldloan remains relevant always. It is a traditional means of credit in the rural life across our country. Possession of gold, however small it may be, has been an indispensable part of our culture from the time immemorial. It has been treated as a symbol of pride and wealth. It is a part of our custom to save and keep a part of the wealth as gold and mostly in the form of ornaments for wearing. It is considered as an auspicious metal bringing in prosperity to the family and more over it always gives a sense of security and wealth capable of inheritance by the next generation. Emergence of Non Banking Financial Companies (NBFCs) as financial institutions focused on lending against the security of gold has changed the liquidity position of gold in a big way. Simple formalities, instant credit and transparent process followed by the company makes gold loan dearer to thousands of customers in meeting their short term financial requirements. Gold loan contributes about 57.61% of the Company's total loan portfolio as at 31<sup>st</sup> March 2016.

### ***Business support Micro Loans***

The Company has a unique loan product aimed at small traders and street side vendors as a business support loan. Under this scheme, the traders and service providers are offered micro credits ranging from Rs.25,000/- to Rs.2,00,000/- without the backing of any collateral. This credit facility has turned out to be a life line for many of our borrowers to access credit from a formal and regulated credit system and they are getting protected from the exploitation of loan sharks in the local areas where banking system is yet to recognize them as lendable population.

This loan is well received in the local limits of our branches as it is an encouragement to small and marginal traders including women to pursue their entrepreneurial quest. We believe in empowering women to improve their financial security and socio economic set up in the rural areas. As on 31<sup>st</sup> March 2016, these loans constitute 11.09% of our total loan portfolio.

### ***Mortgage Backed SME loans***

Mortgage backed SME loans occupy second position in the over all loan portfolio of the company after gold loans with a 21.29% share as on March 31<sup>st</sup> 2016. MSME segment contributes substantially for the overall development of the national economy by contribution to the GDP

and in terms of employment generation. This sector also help in maintaining the balanced regional development by locating in the rural and semi urban areas. Our company provides financial support ranging from Rs.2 lacs to Rs.250.lacs to business community who are engaged in small scale trading / service to expand or scale up their business where timely support from the formal banking system is not available or is inadequate. The company is closely watching the macro economic developments and is ready to tap the growing opportunities in this segment as well with its tailor made products and minimizing the risk by obtaining adequate collateral of immovable properties.

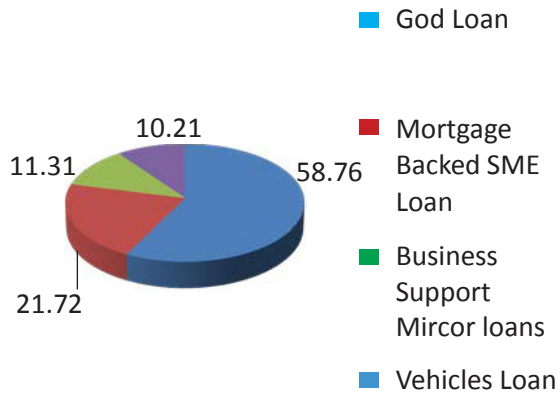
### ***Vehicle loans***

As explained earlier, the company has forayed into the vehicle loan financing segment during the year under review and built up a portfolio of Rs.10.21.crores, which constitutes about 10.01% of our over all loan portfolio as on 31<sup>st</sup> March 2016. The company has been financing commercial and private vehicles with a focus on pre owned vehicle financing. As part of our strategy of building a diversified loan portfolio under secured lending, we continue to take advantage of the growing automobile finance market, particularly the pre-owned vehicles which offer reasonable margins.

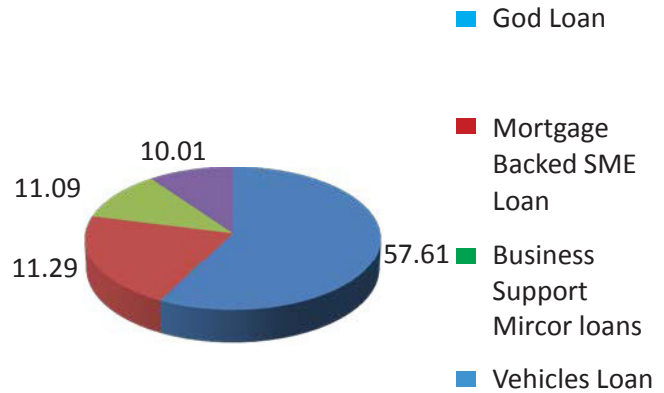


## Snapshot of total loan portfolio

Port folio Build up As on  
31-03-2016  
Total Rs. 102. Crores



Port folio Build up % as on 31-03-2016



## Our customers



Business support loans helps a family to earn their lively hood – running hard ware store in local area





Pre owned vehicle finance transforms the life of last time driver to become a first time owner



Self employment a major contributor to rural economy- a family running their textile shop

## MESSAGE FROM MD&CEO



Dear Share holders,

I am delighted to address you through this communication when we are publishing our 25<sup>th</sup> Annual Report. In this communiqué I wish to touch up on some vital aspects of

our company and the general industry and economic environment in which we are functioning. At first let me express my sincere appreciation and gratitude to the share holders for the continued patronage over the last 25 years.

In the last annual report in this column I have shared with you certain steps taken by the board and management aimed at strengthening the company to equip it as an emerging financial institution with a diversified loan portfolio. It is indeed my pride to inform you all that we have been able to develop a business model with a loan portfolio of Rs.102.crores as on 31<sup>st</sup> March 2016 of which 58% is gold loans and the remaining is non gold assets consisting of Business support micro loans of 11%, Mortgage backed SME loans of 21% and a vehicle loan portfolio of 10%. The product diversification and geographical expansion to Tamil Nadu and Bangalore helped the company to grow its loan book by 12.02% of the corresponding previous year. Given the positive macro economic situations, we may continue to carry on the retail finance of diversified assets so that the company will be protected from the risk associated with single product lending model.

Though the operations resulted in a net loss of Rs.1.81.crores, the gross income of the company for the year under review grew by 12.84% to Rs.23.28.crores over the corresponding previous year. The loss is mainly due to

**Given the positive macroeconomic situations, we may continue to carry on the retail finance of diversified assets so that the company will be protected from the risk associated with single product lending model.**

the increase in overhead on the opening of new branches, right sizing of existing branches and other infra structure developments. I am hopeful of generating good business volume during the current fiscal which will help the company to report profits.

The year gone by was more of a stabilizing period for the company. As has been communicated last time, we have taken a 360 degree review of the state of affairs of the company and streamlined branch operations, strengthened the credit appraisal process, implemented strong credit monitoring and collection and created a robust technology platform to fast track loan processing and generation of proper and timely management information.

The general economic conditions in the country remain positive. Our GDP grew by 7.6% during the fiscal ended 31<sup>st</sup> March 2016, making it one of the fastest growing major economies in the world. The momentum is likely to continue during the fiscal 2016-17 as well and the International Monetary Fund (IMF) has predicted that Indian economy could grow by 7.5% . I am optimistic that the positive sentiments on our economic growth will result in improved retail credit off take in the rural and semi urban areas where our company is focusing. NBFC sector is poised for promising growth considering the overall positive outlook and Government's initiatives for financial inclusion, inclusive growth and Making India movements. NBFCs are substantially catering to the credit off take of MSME sector as they are still not able to get the financial support from the banking sector easily. Lowest processing time, closeness to the customer, relaxed credit

**As a financial institution it will be our motto to build up an organization founded on ethical values and strong in governance. I assure you that our continued efforts will be to create value to the share holders in the long run and to add values to the life of all who are coming across ,be it the borrowers, lenders, employees or other stake holders.**

appraisal even in the absence of formal documentary proofs etc continue to make NBFCs dearer to the borrowers. In a recent release of a leading Rating agency, they have expressed stable outlook for<sup>1</sup> NBFCs for FY 17 as well. They have opined that NBFCs will continue to gain market share at the expense of banks, as banks, particularly the mid-sized Public Sector Units, struggle to raise capital for a successful transition to the Basel-III regime. This will force banks to reduce credit growth.

To capitalise on the growing opportunities, the company shall continue to open branches in promising markets like Tamil Nadu and Karnataka as per plans. As on the date of this report, we have 90 branches spread across 79 locations in Kerala, 10 in Tamil Nadu and 1 at Bangalore. We have also taken steps for opening 3 more branches in Bangalore.

At present we are adequately capitalised. As per the revised regulatory provisions, the company need not follow the stipulations on capital adequacy, rather we shall maintain a leverage ratio of 7 times of the net worth. Considering this, our company can grow its loan book up to Rs. 300 crores with the present capital, provided the company is able to raise enough borrowed capital for deployment in line with the credit off take. As of now the company is mainly funding its operation from equity capital and retail borrowings and in the coming days the priority shall be to arrange credit lines from Banks and other financial institutions.

We have a human capital of highly motivated and committed 370 people, including trainees. Constant efforts have been put in developing their multifaceted skill sets to equip them to face

the growing challenges in professional as well as personal life.

As a financial institution it will be our motto to build up an organization founded on ethical values and strong in governance. I assure you that our continued efforts will be to create value to the share holders in the long and to add values to the life of all who are coming across it, be it the borrowers, lenders, employees or other stake holders.

I also take this opportunity to acknowledge and thank each members of the Board for their whole hearted support, timely guidance and interventions. Further I place on record my appreciation to the senior management team for their enthusiasm, envisioned leadership and commitments which add to my strength and confidence in leading this organization. I thank each one of the employees for their continued hard work, commitment and execution capabilities which helped the organization to transform, remain relevant and grow in all respects in a highly competitive and challenging market. I also put on record my sincere gratitude to each and every share owners of this company for having contributed to its capital, helped in building it and for the continuing patronage to take it to newer heights. I seek your continued support in the coming days and I wish you all the very best.

With warm regards

**I Unnikrishnan**  
**Managing Director & CEO**



**BOARD OF DIRECTORS****Mr. N D Narayanan, Chairman**

Mr. N D Narayanan is a Graduate in Economics from Calicut University. Started his career with a pharmaceutical company based out of Bombay in 1978. He has worked in different capacities within the organization. Having worked for a span of more than 30 years with the company, he took VRS in 2009 from the post of Zonal Head for Southern region. He is a promoter Director of Yogakshemam Loans Limited and has been in the post of Chairman of the company since its inception. He held the post of Chairman & Managing Director from the year 2005 till the end of 2014. Under his effective leadership & full time involvement, the organization flourished with more branches and staff members, keeping the core values of the organization flamboyant. He is penetrated to the roots of the ideology that 'customer is the King and that credibility and transparency are our core values'.

**Mr. Unnikrishnan I, Managing Director**

A fellow member of The Institute of Chartered Accountants of India (ICAI) Mr. Unnikrishnan has served on the board of Manappuram Finance

Limited since 1997 and was one of the core team members who built that organization. He exited from the company in November 2014 as the Dy.CEO and joined Yogakshemam. With more than 25 years of industry experience in advising and managing NBFCs, he is credited with bringing the highest amount of FDI into the State of Kerala in a single tranche to the extent of Rs 1000 crores. He has also raised not less than Rs 30000 cores on a cumulative basis as working capital limits from various banks and financial institutions. He has written articles and presented papers on NBFC's, financial inclusions, etc. on various forums. He has served on the Executive committee of the 'Finance Companies Association'. He is also one of the founding members of Association of Gold Loan Companies India.

**Mr. N.D.Vijayan, Executive Director**

Mr. N D Vijayan is a Graduate in commerce with Diploma in Computer Application. Started his career in the year 1979 with Bank of Baroda, Abu Dhabi. Having served in various posts, ended the services with the organization as Current Account Manager in 1982 and joined with Arab Bank for Investment and Foreign Trade in 1983. He was worked in the supervisory roles of almost all the internal departments during the course of service. With more than 30 odd years of service, took VRS in 2011 as Operations-in-charge of IT department with an option to rejoin but decided against.

**Mr. Ramachandran Ottapathu,  
Director**



Mr. Ramachandran Ottapathu is a Chartered Accountant and a fellow member of ICAI, Associate member of Botswana Institute of Accountants and certified SAP consultant. He has got 20 years of vast experience in retail industry; handling both finance and operations. He is expert in other areas as well- Manufacturing, Packaging, Milling and Medical distribution. He is presently the Chief Executive Officer of Choppies Enterprises Ltd., a retail chain head quartered at Gaborone, Botswana and having 173 stores spread across Botswana, South Africa and Zimbabwe Choppies Enterprises Ltd., is listed on the Botswana Stock Exchange and has done a secondary listing on the Johannesburg Stock Exchange, Africa's biggest Stock Exchange. Mr. Festus Mogae, the former president of Botswana is heading the Board of Choppies as the Chairman. This company has bagged a turnover of about \$600 Million. Choppies is the single largest retailer in the continent. There are more than 100 business enterprises under his stewardship in Botswana. Forbes Magazine (Forbes – Africa edition) has featured Mr. Ramachandran in the Cover page of its March 2016 Edition with the tag "FROM \$20 TO \$300 MILLION", a recognition which rarely comes. His other activities include a Guest Faculty position in the University of Botswana.

**Mr. P.N. Pasupathy, Director**



Mr. P.N. Pasupathy is a Diploma holder in Tool & Dye Making Engineering. He started his career in 1974 with Indian Telephone Industries (ITI), a Central Government organization in Bangalore. He resigned from the company in 1979 and joined as Vice Principal of KTTF; an Academic Training Institution for Tool & Dye making in Trivandrum which had financial aid from Switzerland (HEKS-Switzerland). He retired as the Principal of the institution in 1982. He started a proprietorship firm; Devi Fasteners involved in manufacturing Machine Screws. He has immense experience working in administrative field. He has been associated with Yogakshemam for more than 13 years.

**Dr. Pushpangadan Mangari, Director**



Dr. Pushpangadan Mangari has a Doctorate in Management from Rajasthan University, Jaipur and MBA Finance from one of the top grade management institutions. He completed advance courses in Mergers & Acquisitions from USA, Financial Derivatives and Mathematics

respectively from prestigious institutions in Europe (INSEAD) and CAIIB from Indian Institute of Bankers. He was on the boards of many companies as Non-Executive and Executive Director since 1992. Currently he is working as the Managing Director of 'Consult Win Solutions Pvt. Ltd'. He retired as the CEO of L&T Capital Co. Ltd, a 100% subsidiary of Larsen & Toubro (L&T Ltd) and also worked as CIO of L&T General Insurance Company Ltd., post retirement. Prior to these assignments, he worked as the MD of UTI Securities Exchange Ltd (UTISEL), a wholly owned subsidiary of UTI, and as the MD of Over the Counter Exchange of India (OTCEI), owned by Indian Public Sector Institutions. On Special assignments, he worked as Member of various committees of Ministry of Finance, SEBI, FICCI, BSE and BCCI (Bombay Chamber of Commerce and Industry). He has presented various capital market related papers in India and abroad.

### **Mr. Anoop Ganapathi, Director**



He is a Chartered Accountant with an additional qualification of DISA from ICAI. He is having 20 years of vast experience in banking & Non-banking Finance companies. He is the Director of Hampshire Corporate Solutions (P) Ltd, Thrissur since 2008. He is the partner of Mohandas & Associates, Chartered Accountants, Thrissur since 2003. He has earlier worked with Nedungadi Bank Ltd, Manappuram General Finance & Leasing Ltd and Dhanalaxmi Bank.



## DIRECTORS REPORT

To,  
Members of Yogakshemam Loans Limited  
Dear Members,

The Directors are pleased to present the 25<sup>th</sup> Annual Report of the company with the audited financial statements of the Company for the Year ended March 31, 2016 ("Year").

### 1. FINANCIAL HIGHLIGHTS

The financial performance of the company for the year ending 31<sup>st</sup> March 2016 is given below,

Financial highlights		
	31.03.2016	31.03.2015
	(Rs. In Lakhs)	(Rs. In Lakhs)
Loan book of the Company	10239	9214.00
<b>Total Income</b>	<b>2328.00</b>	<b>2063.00</b>
Total operating Expenditure	1219.52	1407.00
Finance cost	1155.56	1276.00
Profit before depreciation/loss	(47.12)	(620.00)
Depreciation	134.48	177.00
Profit/ Loss before Tax	(181.60)	(797.00)
Tax Expenses	2509.57	32.00
Net profit/ Loss after tax	(181.60)	(829.00)

### 2. STATE OF AFFAIRS OF THE COMPANY

Non Banking Financial Companies ("NBFC") are an integral part of the Indian financial system, enhancing competition and diversification in the financial sector and complementing the banking system. NBFCs play a vital role in furthering the objective of financial inclusion by serving the credit demand of the small and medium scale and retail sectors. The Company's

Loan products such as Gold loans, specialized financing of small businesses and retail asset are predominantly in under-served areas and among the people in the lower strata of the society. Since the general economic conditions are growth oriented there will be continuing demand for higher loan off take especially among the segments where NBFCs are lending. During the Year under review the company has registered a loan growth of 12.20% and the loan book as at the balance sheet date is Rs.102 crores as against Rs. 92 crores as on 31<sup>st</sup> March 2015., The total Income for the Year grew by 12.84 percent to Rs. 2328. Lakhs as against the gross income of Rs.2063.lakhs of the previous year ended on 31<sup>st</sup> March 2015. However, the operations resulted in a net loss of Rs.181.60 lakhs.

### 3. PROSPECTS

The year under review was more of a stabilizing period after a series of changes initiated from the year 2014-15 and continued during the year. As has been disclosed in the previous year report, the steps taken by the company were more from a strategic point to strengthen the organization such as product diversification, management strengthening, right sizing of existing branches, opening of new branches in more potential markets like Tamil Nadu and Karnataka are a few to pin point. Those steps will yield fruits in the medium to long term. As on the date of this report your company has 90 branches with a spread of 79 Branches in Kerala, 10 branches in Tamil Nadu and one branch in Bangalore. It is also worth mentioning here that we have taken steps for opening 3 more branches in Bangalore and with this we will have a net work of 93 branches. The efforts taken by the management as explained above started paying off and the company expects good volume growth in terms

of disbursement of loans and will generate profit as against the loss made during the previous year, given the macro economic scenario remain in the same.

#### 4. DIVIDEND

Since the company's operations for the year under review has resulted in loss, no dividend can be recommended for the year.

#### 5. CAPITAL

The Company has allotted 23742137 equity shares under the rights Issue opened on 16<sup>th</sup> March and closed on 9<sup>th</sup> April 2015 at a price of 10/- per share. Post allotment of the above equity shares the issued, subscribed and paid-up share capital of your Company stands increased to ' 453,139,200 comprising of 4,53,13,920 equity shares of 10 each as on March 31, 2016.

#### 6. EMPLOYEE STOCK OPTION SCHEME

The company has framed an Employee Stock Option Scheme aimed at attracting and retaining leadership talent in the company. The share holders approved the scheme at the 24<sup>th</sup> AGM held on 18<sup>th</sup> August 2015. The scheme enables the company to grant 11,00,000. Options for eligible employees to apply for 11,00,000 equity shares of the company. Under this Scheme, the Company has granted 630000 options to eligible employees in leadership positions in the company.

#### 7. CAPITAL ADEQUACY

Your Company is well capitalized considering the current level of operations and loans and advances. As per the provisions of "Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015" Notified by the RBI on 3<sup>rd</sup> June 2015, the company needs to maintain a leverage ratio of 7 times and we are well within the norms.

#### 8. ANNUAL RETURN, PARTICULARS OF LOANS AND CONTRACTS WITH RELATED PARTY

The extract of the Annual Return in the form MGT - 9 as required under Section 92 (3) and 134 (3) of the Act is attached to this Report as Annexure - 2

#### 9. LOANS AND ADVANCES

The company has not given any loans or advances other than those in the ordinary course of its business as an NBFC. Particulars of transactions in which directors are interested are given in note No.22 of the financial statements.

#### 10. RELATED PARTY TRANSACTIONS

All transactions or arrangements with related parties referred to in Section 188 (1) of the Act, entered into during the Year were on arm's length basis or were in ordinary course of business. The particulars of contracts or arrangements with related parties as referred in section 188(1) of the Act are attached to this Report in prescribed Form AOC - 2 as Annexure 3

#### 11. HUMAN RESOURCE

The total employee strength of the Company as on March 31, 2016 stood at 370 including trainees. Company is taking consistent efforts in developing the skill sets of its employees at all levels by imparting training.

None of the employees is in receipt of remuneration attracting the disclosure under

Rule – 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence no report is attached.

#### 12. NUMBER OF MEETINGS OF THE BOARD

Board has met 5 times during the year. A summary of the Meetings and attendance of Board, the audit Committee and the Nomination, Compensation and Corporate Governance committee is given below.

Directors	Attendance		
	Board	Audit Committee	Nomination Committee
<b>Total Meetings during the year</b>	<b>5</b>	<b>4</b>	<b>2</b>
Mr. Narayanan ND	4	N/A	2
Mr. Unnikrishnan I	5	N/A	N/A
Mr. Vijayan N D	5	N/A	N/A
Mr. Pasupathy	4	N/A	N/A
Mr. Anoop G	5	4	2
Dr. M Pushpangadan	5	4	2
Mr. O Ramachandran	4	3	1

### 13. RESERVE BANK OF INDIA ("RBI") GUIDELINES

The Company continues to comply with all applicable regulations of RBI..

### 14. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The company is not required to frame a CSR policy under section 135 of Companies Act, 2013, considering that the net worth, turnover and profits are below the threshold limits.

### 15. DIRECTORS

Director Mr. N.D. Naryanan is liable to retire at the ensuing Annual General Meeting and he is eligible for re-appointment, offers himself for re-appointment.

### 16. DECLARATION OF DIRECTORS INDEPENDENCE.

Based on the declarations received from the independent directors, we state that the independent directors of the company continue to be independent directors and there are no circumstances suggesting loss of their independence with reference to the company.

### 17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Sections 134 (3) (c) and 134 (5) of the Act with respect to Directors' responsibility

statement, the Directors of the Company hereby confirm, in the preparation of annual accounts for the Year that:

(i) the applicable accounting standards have been followed and proper explanations have been made in notes to accounts for material departures, if any;

(ii) the accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and statement of the profit and loss of the Company for the Year ended on that date;

(iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis.

(v) internal financial controls to be followed were laid down, which were adequate and were operating effectively during the Year.

(vi) Proper systems had been devised to ensure compliance with provisions of applicable laws,

which were adequate and were operating effectively during the Year.

### 18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO

The company is carrying on business of lending . As an NBFC the conservation of energy and technology absorption have limited applications only . To the extend possible at our end , the company is using energy efficient equipments and electronic items which will reduce the consumption of energy . There was no earnings or out go in foreign exchange during the year.

### 19. COMMITTEES

**Audit Committee – In line with the provisions of section 177 of the Companies Act,2013**the board has constituted an Audit committee Consisting the following members.

Mr.Anoop –G- Chairman

Dr.Pushpangadan M- Member

Mr.Ramachandran O- Member

During the year under review there were no situations where the board has not accepted recommendation of the audit committee

**Nomination, Remuneration and corporate governance Committee –** The company has constituted Nomination, Remuneration and corporate governance committee considering the statutory provisions under section 178 of the Companies Act,2013 and the and the composition is as follows,

Dr.M.Pushpangadan - Chairman

Mr.N.D.Narayanan - Member

Mr.G.Anoop - Member

Mr.O.Ramachandran - Member

### 20. POLICIES

- **Vigil Mechanism / Whistle Blower Policy -** The Company, as part of the 'vigil mechanism' has in place a 'Whistle Blower Policy' to deal

with instances of fraud and mismanagement, if any. The Whistle Blower Policy has been approved by the Board and has been placed on the website of the Company. This vigil mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimization of employees and directors who avail of the vigil mechanism and also provide direct access to the Chairperson of the Audit Committee in exceptional circumstances.

- **Policy on Directors Appointment-** In respect of independent directors , the remuneration committee of the board shall evaluate the independence of directors based on the criteria set out under section 149(6)of the Companies Act,2013, and the rules made there under .The underlying principles of the company is that the independent directors shall not have any pecuniary relationships beyond the permissible limits with the company and that they are not connected with the promoters or KMPs of the company.
- **Risk Management Policy-**The company is regularly evaluating the elements of risks in the various operational aspects of the company and will be reviewed periodically including presentations to the audit committee. Based on such reviews and assessments remedial measures are being taken.
- **Policy on Fair Practice code and Customer grievance redressal-** The Company has framed the policy on Fair Practice code and Customer grievance redressal and the policy is dealing with the fair practices which the company wishes to adopt in the conduct of its business and the matters relating to dealing with the redressal of customer grievances.
- **Investment Policy -**The Company has framed an Investment Policy to serve as the guiding principle in matters relating to investments by the company either for parking surplus

liquidity temporarily or making strategic investments in other business opportunities.

- **Interest Rate policy** –The Company has framed interest rate policy and the policy will act as the guiding principles for determination of interest and other charges to be levied by it while transacting its business.
- **Policy on Resource mobilization** – The board has put up a policy on Resource mobilization, which shall serve as the guiding principles in matters relating to mobilisation of resources for the company to meet its long term and short term objectives and also to fund for its fixed and working capital requirements.

## 21. DEPOSITS

The company has not accepted any public deposit during the year and no amount is outstanding as unpaid/unclaimed deposit.

## 22. AUDITORS

Company has appointed of M/s. S.R.Batiliboi & Associates LLP, Chartered Accountants, Chennai, as the statutory auditors of the company for a period of five financial years and that they shall hold office from the conclusion of the 24<sup>th</sup> AGM to the conclusion of the 29<sup>th</sup> AGM. Their appointment may be ratified by the share holders at the ensuing Annual General Meeting.

## 23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURT

There are no material order passed by Regulators/ Courts, which would impact the going concern status of the Company and its future operations.

## ACKNOWLEDGEMENT

The Board expresses its deepest appreciation and gratitude for the guidance and cooperation extended to the Company by RBI, statutory authorities and regulators. The Board also thanks the bankers for their support and co-operation

for facilitating the company's transactions and financial assistance.

The Board thanks the auditors of the Company for their guidance. Special thanks are due to the employees of the Company who contributed their skills, enthusiasm, commitment and dedication which have over the years helped the Company to earn prominence. The Board is grateful to the shareholders, debenture holders and other lenders of the Company for their continuing patronage

**By order of Board of Directors  
For Yogakshemam Loans Limited,**

Sd/-  
**N.D.NARAYANAN**  
Chairman

Sd/-  
**I. UNNIKRISHNAN**  
Managing Director  
and CEO

Thrissur  
23<sup>rd</sup> July 2016

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. GLOBAL ECONOMY

Global economic activity remained subdued in 2015 and is expected to grow at 3.4% in 2016 and 3.6% in 2017. The year had contrary trends with advanced economies having a modest recovery, and declining growth in emerging market and developing economies. The global scenario is likely to remain in the same trend considering domestic violence and internal disturbances faced by many countries in the world affecting our exports and employment opportunities. The recent news of UK moving out of European Union further adds worry to the uncertainty and may further drag down the growth prospects.

### B. INDIAN ECONOMY

India's GDP grew by 7.6% in 2015-16, making it one of the fastest growing major economies in the world. The International Monetary Fund (IMF) predicts Indian GDP to grow at 7.5% for the years 2016 and 2017.



India remained on moderate growth radar owing to positive policy initiatives of the government, low interest rates, declining fiscal deficit, and moderating inflation. As inflation eased sharply, Reserve Bank of India (RBI) was able to cut interest rates four times this year.

During 2015-16, continuing fiscal consolidation has reduced the central government's fiscal deficit to close to 4% of GDP (on a 12-month rolling basis), down from a peak of 7.6% in 2009. Current account deficit narrowed to 1.3% of the gross domestic product in the fiscal third quarter from 1.5% in the year-earlier period, as the country's trade deficit contracted.

### **C. INDIAN NON-BANKING FINANCIAL COMPANY (NBFC) SECTOR**

Non-banking financial companies (NBFCs) form an integral part of the Indian financial system. They increase financial inclusions by reaching out to the unbanked segments of society, especially to the micro, small and medium enterprises (MSMEs), and play an important role in nation building.

The financial sector is currently characterized by evolution of payment banks, financial inclusion initiatives and improving access to Micro, Small and Medium Enterprises (MSME). <sup>2</sup>Aggregated balance sheet of the NBFC sector expanded by 15.5 per cent on a y-o-y basis in March 2016 as compared to 15.7 per cent in the previous year. Loans and advances increased by 16.6 per cent, while, total borrowings increased by 15.3 per cent in March 2016.

Retail credits of NBFCs are closely connected with the growth and development of Micro Small and Medium Enterprises (MSME) as NBFCs are mainly catering the credit requirements of those enterprises in the rural and semi urban markets.<sup>3</sup>MSMEs are complementary to large

industries as ancillary units and this sector contributes enormously to the socio-economic development of the country. The Sector consisting of 36 million units, as of today, provides employment to over 80 million persons. The Sector through more than 6,000 products contributes about 8% to GDP besides 45% to the total manufacturing output and 40% to the exports from the country.

### **The main growth drivers for NBFC loan portfolios are**

- Stress on public sector banks
- Latent credit demand
- Increased consumption
- Distribution reach and sectors where traditional banks do not lend.
- Government initiatives for manufacturing in India

### **D. GOVERNMENT INITIATIVES**

The governments acknowledging the importance of this sector in recent months and have taken steps to liberalise, regulate, and enhance the sector.

Greater financial inclusion is being encouraged with schemes such as the 'Jan Dhan' and issuing new licences to Small Finance Banks and Payment Banks .

Several key direct tax changes have been proposed in the Finance Act 2016, which is expected to positively impact the financial services industry.

### **E. SEGMENT WISE OR PRODUCT – WISE PERFORMANCE**

The loan Portfolio of the company consists of Gold loan, Business support Micro Loan, Mortgage backed SME loans and Vehicle loans. Outstanding loan portfolios of different products as on 31<sup>st</sup> March 2016 with its corresponding figures are given below:

<sup>2</sup>Financial Satbility of RBI - June 2016

<sup>3</sup>Source - Status of MSME 2015-16- ministry'se book



	(Rs. In crores) <b>31.03.2016</b>	(Rs. In crores) <b>31.03.2015</b>
Gold Loan	58.76	69.39
Mortgage backed SME Loan	21.72	12.49
Business Support Micro loans	11.31	8.96
Vehicle Loan	10.21	0.07
<b>Total</b>	<b>102.00</b>	<b>90.91</b>

### **Gold Loans**

Indian households accounts for approximately 22000 tons of gold. The demand is likely to be growing. Household gold reserve is an important factor for increasing demand for gold loans. The upward movement in the gold price has brought back the demand for gold loans after two years of slowing growth. The main factors affecting demand for gold loans are;

- Prevalence of high level of rural indebtedness
- Easy availability of gold loans on extremely flexible terms
- Relative scarcity of personal and retail loans from the banks
- Expected normal monsoon and the need for working capital in the farming sector.

The entry of organised sector in recent years, especially the entry of new players like NBFCs into the field of gold loan, has made the business more profitable.

### **F. OUTLOOK**

The financial services industry is highly interrelated to the overall economic growth and has been a large driver of this growth. The improving GDP growth path is therefore expected to further drive the financial services industry. Improved rural economy, higher job creation together with a normal monsoon across the

country would also form the base for increased consumption demand and thus help the source of economic growth.

Going forward, companies with a diversified business model and a consistent strategy are most likely to gain from the improving prospects of the industry.

### **G. SCOT ANALYSIS**

#### **Strengths**

- Building on relationship
- Established leadership
- Diversified product offering
- Robust in-house capabilities

#### **Challenges**

Given the scale of operations and profitability and credit rating the company may, in the short run face challenges in raising of resources from conventional sources. The macro-economic situation has to further improve the business sentiments at the grass route level for growth to accelerate at the Company level. Growing competition from larger market peers indulging in mass media advertisements raises further challenges.

#### **Opportunities**

The Company can expand its geographical reach by opening more number of branches in growing markets. It is also in a position to consider deepening product segments because of the experience gained and the growing number of satisfied customers associated with the company.

#### **Threats**

Any changes in the regulatory environment could affect the performance of the Company. The entry of Small Finance Banks, and to an extent that of Payment Banks could in the medium term call for a recalibration of strategy in certain product-and geographic segments.

## **H. RISK MANAGEMENT**

The Company's business model has comprehensive and integrated risk management framework that comprises of a clear understanding of strategy, policy initiatives, prudential norms, proactive mitigation and structured reporting.

### **Credit Risk Management:**

The Company possesses a well defined loan policy and other operating instructions regarding each product to manage risks associated with underwriting and customer defaults. Customer selection is of paramount importance, and in this the Company's Business Development and Credit teams have the necessary expertise to ensure asset quality. Underwriting decisions are based on knowledge about the prospective customer's business as well as assessment of his cash flows and ensuring adequacy of collateral or guarantees in applicable cases. The underwriting also ensures a well calibrated approach in fixing loan to value ratio for all secured lending. Similarly, the company has strong internal guidance on unsecured lending based on past experiences

## **I. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company possesses adequate internal controls to ensure that all assets are protected against loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly. An efficient Internal Audit department monitors adherence to these controls. Statutory auditors also present their suggestions to the appropriate committees of directors for improvements in control and compliance.

## **J. HUMAN RESOURCES**

The Company considers its workforce to be its greatest asset. It accordingly invests in training

and long-term development programs for its employees. During the year under review, the Company conducted programs aimed at upgrading the work-specific skills of its workforce. Additional programs were undertaken towards motivational and behavioral training.

## **K .CAUTIONARY STATEMENT**

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.

**By the order of Board of Directors  
For Yogakshemam Loans Limited,**

Sd/-  
**N.D.NARAYANAN**  
Chairman

Sd/-  
**I. UNNIKRISHNAN**  
Managing Director  
& CEO

Thrissur  
23<sup>rd</sup> July 2016

## FORM MGT-9 EXTRACT OF ANNUAL RETURN

**AS ON THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH 2016**

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

### **I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	U65992KL1991PLC005965
ii.	Registration Date	13-02-1991
iii.	Name of the Company	YOGAKSHEMAM LOANS LIMITED
iv.	Category/Sub-Category of the Company	NBFC
v.	Address of the Registered office and contact details	YOGAKSHEMAM LOANS LIMITED , YOGAKSHEMAM APARTMENT , KALLINGAL LANE, THIRUVAMBADI, THRISSUR-680022, KERALA, INDIA
vi.	Whether listed company	NO
vii.	Name, Address and Contact details of Registrar and Transfer Agent ,if any	SKDC CONSULTANTS LIMITED , KANAPATHY TOWERS, SATHY ROAD, GANAPATHY, COIMBATORE-641006

### **II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl no	Name and Description of main products/ services	NIC Code of the Product/Services	% to total turnover of the company
1	Lending of money on the security of gold , silver, real estate , automobile , vehicles , machinery, land and building , furniture , equipments & household articles and in promotes or bonds or on the personal guarantee of solvent individual as per the object clause of Memorandum of Association	6492	100

### **III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable %of shares held
1.	NIL	NA	NA	NA	NA
2.	NIL	NA	NA	NA	NA

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i. Category-wise Share Holding**

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									
(1) Indian									
a) Individuals/ Hindu Undivided Family	0	1035600	1035600	4.799	0	1108100	1108100	2.445	-2.354
b) Central Government/ State Government(s)	0	0	0	0.000					0.000
c) Bodies Corporate	0	0	0	0.000	0	2975500	2975500	6.566	6.566
d) Financial Institutions/Banks	0	0	0	0.000					0.000
e) Any Others (Specify)	0	0	0	0.000					0.000
TRUSTS	0	0	0	0.000					0.000
Sub Total(A)(1)	0	1035600	1035600	4.799	0	4083600	4083600	9.011	4.212
(2) Foreign									
a) Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.000	0	0	0	0.000	0.000
b) Bodies Corporate	0	0	0	0.000	0	0	0	0.000	0.000
c) Institutions	0	0	0	0.000	0	0	0	0.000	0.000
d) Qualified Foreign Investor	0	0	0	0.000	0	0	0	0.000	0.000
e) Any Others (Specify)	0	0	0	0.000	0	0	0	0.000	0.000
	0	0	0	0.000	0	0	0	0.000	0.000
	0	0	0	0.000	0	0	0	0.000	0.000
	0	0	0	0.000	0	0	0	0.000	0.000
	0	0	0	0.000	0	0	0	0.000	0.000
Sub Total(A)(2)	0	0	0	0.000	0	0	0	0.000	0.000
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	0	1035600	1035600	4.799	0	4083600	4083600	9.011	4.212
(B) Public shareholding									
(1) Institutions	0	0	0	0	0	0	0	0	

a) Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0.000
b) Financial Institutions / Banks	0	0	0	0	0	0	0	0	0.000
c) Central Government/ State Government(s)	0	0	0	0	0	0	0	0	
d) Venture Capital Funds	0	0	0	0	0	0	0	0	
e) Insurance Companies	0	0	0	0	0	0	0	0	
f) Foreign Institutional Investors	0	0	0	0	0	0	0	0	0.000
g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	
h) Qualified Foreign Investor	0	0	0	0	0	0	0	0	
i) Any Other (specify)	0	0	0	0	0	0	0	0	
FOREIGN PORTFOLIO INV ( CORP.CAT )	0	0	0	0	0	0	0	0	0.000
Sub-Total (B)(1)	0	0	0	0.000	0	0	0	0.000	0.000
(2) Non-institutions									
a) Bodies Corporate									
i) Indian	0	2000	2000	0.009	0	2000	2000	0.004	-0.005
ii) Overseas	0	0	0	0	0	0	0	0	
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs 2 lakh	0	7024597	7024597	32.555	0	6313882	6313882	13.934	-18.621
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	0	8908550	8908550	41.285	0	11262289	11262289	24.855	-16.430
c) Others (specify) DIRECTORS & THEIR RELATIVES	0	1506310	1506310	6.981	0	10101149	10101149	22.291	15.310
NRI DIRECTORS	0	3100500	3100500	14.369	0	6100500	6100500	13.463	-0.906
NRI DIRECTOR'S RELATIVES	0	500	500	0.002	0	7450500	7450500	16.442	16.440
									0.000
Sub-Total (B)(2) Total Public Shareholding (B)=	0	20542457	20542457	95.201	0	41230320	41230320	90.989	-4.212
(B)(1)+(B)(2)	0	20542457	20542457	95.201	0	41230320	41230320	90.989	-4.212
C.Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)	0	21578057	21578057	100.000	0	45313920	45313920	100.000	0.000

**ii. Shareholding of Promoters & Promoter groups**

SL No.	Shareholders Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% of change during the year
		No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
1	NARAYANAN N.D.	810600	3.757	0.000	883100	1.949	0.000	-1.808
2	UMA NARAYANAN	75000	0.348	0.000	75000	0.166	0.000	-0.182
3	NEETA NARAYANAN	75000	0.348	0.000	75000	0.166	0.000	0.182
4	SWETA HARI	75000	0.348	0.000	75000	0.166	0.000	-0.182
5	PERINGOTTUKARA CHITS LIMITED		0.000	0.000	2975500	6.566	0.000	6.566
	<b>TOTAL</b>	<b>1035600</b>	<b>4.801</b>	<b>0.000</b>	<b>4083600</b>	<b>9.011</b>	<b>0.000</b>	<b>4.212</b>

**iii. Change in Promoters' Shareholding (please specify, if there is no change)**

DATE	NAME	Opening balance	Bought	Sold	Closing balance	% of total shares of the company	
28/11/2015	NARAYANAN N.D.	810600	40000		850600	1.877	Transfer
12/12/2015		850600	30000	0	880600	1.943	Transfer
25/02/2016		880600	2500		883100	1.949	Transfer
31/03/2016		883100			883100	1.949	
04/09/2015	PERINGOTTUKARA CHITS LIMITED	0	5000000		5000000	11.034	Allotment
25/1/2016		5000000		1500000	3500000	7.724	Transfer
25/2/2016		3500000	300000		3800000	8.386	Transfer
16/3/2016		3800000	175500		3975500	8.773	Transfer
28/3/2016		3975500		1000000	2975500	6.566	Transfer



**iv. Top ten shareholders (other than Directors, Promotor and holders of GDRs & ADRs)**

SL No.	For each of top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No.of Shares	%	No.of Shares	%
1.	JALAJAKUMARI RAMACHANDRAN	500	0.002	7450500	16.442
2	CHANDRAN O.	0	0	1697040	3.745
3	SATHIA NARAYANAN M	500000	2.317	1050000	2.317
4	SATHIALAKSHMI M	1000000	4.634	1000000	2.207
5	NARAYANAN O.	0	0	828505	1.828
6	ABHIJITH UNNIKRISHNAN	0	0	578039	1.276
7	SHANTI CHANDRAN	300500	1.393	250000	0.552
8	K P RADHAKRISHNAN	0	0	250000	0.552
9	THOMMIL MAMA BALAN	200000	0.927	200000	0.441
10	ARUN KAIPPILLY	0	0	200000	0.441

**V. Shareholding of Directors and Key Managerial Personnel**

SL No.	Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% of change during the year
		No.of Shares	%	No.of Shares	%	
1	UNNIKRISHNAN I	50000	0.232	7845500	17.314	17.082
2	RAMACHANDRAN OTTAPATH	3100500	14.369	6100500	13.463	-0.906
3	NARAYANAN N.D.	810600	3.757	883100	1.949	-1.808
4	ANOOP.G.	250000	1.159	250000	0.552	-0.607
5	VIJAYAN NAMBOOTHIRI N	66630	0.309	237730	0.525	0.216
6	PUSHPANGADAN MANGARI	100000	0.463	100000	0.221	-0.242
7	PASUPATHY .P.N	27180	0.126	67380	0.149	0.023
8	RAJESHKUMAR.K.PILLAI	0	0.000	31000	0.068	0.068

**VI. Transactions of directors of the company during the FY 2015-16**

DATE	NAME	Opening balance	Bought	Sold	Closing balance	% of total shares of the company	
01/04/2015	UNNIKRISHNAN I	50000			50000	0.232	
09/04/2016		50000	7500000		7550000	16.662	Rights Allotment
28/11/2015		7550000	123000	0	7673000	16.933	Transfer
12/12/2015		7673000	2500		7675500	16.939	Transfer
25/02/2016		7675500	155000	0	7830500	17.281	Transfer
28/03/2016		7830500	15000	0	7845500	17.314	Transfer
31/03/2016		7845500			7845500	17.314	
01/04/2015	RAMACHANDRAN OTTAPATH	3100500			3100500	14.369	
09/04/2015		3100500	3000000		6100500	13.463	Rights Allotment
31/03/2016		6100500			6100500	13.463	
01/04/2015	NARAYANAN N.D.	810600			810600	3.757	
28/11/2015		810600	40000		850600	1.877	Transfer
12/12/2015		850600	30000	0	880600	1.943	Transfer
25/02/2016		880600	2500		883100	1.949	Transfer
31/03/2016		883100			883100	1.949	
01/04/2015	ANOOP.G.	250000			250000	1.159	
31/03/2016		250000			250000	0.552	
01/04/2015	VIJAYAN N. D.	66630			66630	0.309	
09/04/2015		66630	100000		166630	0.368	Rights Allotment
20/06/2015		166630	5000		171630	0.379	Transfer
25/02/2016		171630	66100	0	237730	0.525	Transfer
31/03/2016		237730			237730	0.525	
01/04/2015	PUSHPANGADAN MANGARI	100000			100000	0.463	
31/03/2016		100000			100000	0.221	
01/04/2015	PASUPATHY .P.N	27180			27180	0.126	
09/04/2015		27180	30200		57380	0.127	Rights Allotment
25/02/2016		57380	10000		67380	0.149	Transfer
31/03/2016		67380			67380	0.149	

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	771576000	99014000	0	870590000
ii) Interest due but not paid	0	0	0	
iii) Interest accrued but not due	81177094	13164234	0	94341328
<b>Total(i+ii+iii)</b>	<b>852753094</b>	<b>112178234</b>	<b>0</b>	<b>964931328</b>
Change in Indebtedness during the financial year				
- Addition	117711000	50380000	0	168091000
- Reduction	(193209000)	(528000)	0	(193737000)
<b>Net Change</b>	<b>(75498000)</b>	<b>49852000</b>	<b>0</b>	<b>(25646000)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	696078000	148866000	0	844944000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	87772319	26076022	0	113848341
<b>Total(i+ii+iii)</b>	<b>783850319</b>	<b>174942022</b>	<b>0</b>	<b>958792341</b>

**VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL****A. Remuneration to Managing Director , Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr.I.Unnikrishnan Managing Director& CEO	Mr.N.D.Vijayan, Executive director	
	Gross salary (a)Salary as per provisions contained in section17(1) of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2) Income-tax Act,1961 (c)Profits in lieu of salary under section17(3)Income-taxAct,1961	2400000	1800000	4200000
	Stock Option	-	-	-
	Sweat Equity	-	-	-
	Commission - as% of profit - others, specify...	-	-	-
	Others ,please specify			
	<b>Total (A)</b>	<b>2400000</b>	<b>1800000</b>	<b>4200000</b>
	Ceiling as per the Act	Overall ceiling on Managerial Remuneration applicable is 11% of the Net Profit. However, since there is net loss for the FY2015-16, remuneration payable is as per Section 2 of Part II of Schedule V of the Companies Act,2013.		

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Independent Directors			Total Amount
		Dr.M.Pushpangadan	Mr.Anoop.G.	Mr.P.N.Pasupathy	
	·Fee for attending board meetings	100000	100000	80000	280000
	·Fee for Attending committee meetings	60000	60000	-	120000
	Others, please specify . Travelling Allowance	6000	-	-	6000
	<b>Total (1)</b>	<b>166000</b>	<b>160000</b>	<b>80000</b>	<b>406000</b>

		Name of other Non Executive Directors		Total Amount
		Mr. N. D. Narayanan	Mr. P.N. Pasupathy	
	·Fee for attending board Meeting	80000	-	80000
	·Fee for Attending committee meetings	20000	-	20000
	·Others, please specify	-	-	-
	Total (2)	100000	-	100000
	Total (B)=(1+2)	506000		
	Total Managerial Remuneration	4706000		
	Overall Ceiling as per the Act	Overall ceiling on Managerial Remuneration applicable is 11% of the Net Profit. However, since there is net loss for the FY2015-16, remuneration payable is as per Section 2 of Part II of Schedule V of the Companies Act,2013.		

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	EVP & Company Secretary	Chief Financial Officer	
1	Gross salary (a)Salary as per provisions contained in section17(1) of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2) Income-tax Act,1961 (c)Profits in lieu of salary under section17(3)Income-taxAct,1961	Refer: Part VI. (A)	1780200	1168073	2948273
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as% of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	-	<b>1780200</b>	<b>1168073</b>	<b>2948273</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:**

Type	Section of the Companies Act, 2013	Brief description	Details of penalty/ punishment, compounding fee imposed	Authority RD/ NCLT/Court	Appeal if any
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty					
Punishment					
Compounding					

**By the Order of Board of Directors  
For Yogakshemam Loans Limited,**

Sd/-  
**N.D.Narayanan**  
Chairman

Sd/-  
**I Unnikrishnan**  
Managing Director & CEO

Thrissur  
23<sup>rd</sup> July 2016



**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

(a) Name(s) of the related party and nature of relationship	NIL
(b) Nature of contracts/arrangements/transactions	NIL
(c) Duration of the contracts / arrangements/transactions	NIL
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
(e) Justification for entering into such contracts or arrangements or transactions	NIL
(f) Date(s) of approval by the Board	NIL
(g) Amount paid as advances, if any	NIL
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NIL

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transaction</b>	<b>Duration of the contracts / arrangements/ transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	<b>Date(s) of approval by the Board/Board committee, if any</b>	<b>Amount paid as advances, if any</b>
Mr.N D Narayanan (Chairman)	sitting fee paid	Till tenure of directorship	sitting fee paid Rs.100000 for attending board meeting and committee meeting	06-12-2014	NIL
Mr.I.Unnikrishnan (Managing Director & CEO)	Share issue and remuneration paid	Till the tenure of directorship	-Issue of 7500000 shares -remuneration paid Rs.2400000	28-02-2015 6-12-2014	NIL
Mr.N.D. Vijayan (Executive Director)	Share issue, and Debenture interest and remuneration paid	-  Till the tenure of directorship	-Issue of 100000 shares, - Rs.26080 paid as interest on Debentures -remuneration paid 1800000	28-02-2015  06-12-2014	NIL  NIL
Mr.Ramachandran Ottapathu (Director)	Share issue	-	Issue of 3000000 shares	28-02-2015	NIL
Dr.M.Pushpangadan (Independent Director)	Sitting fee paid	Till the tenure of directorship	Sitting fee paid Rs.166000	08-11-2014	NIL
Mr.Anoop .G. (independent Director)	Sitting fee paid	Till the tenure of directorship	Sitting fee paid Rs.160000	08-11-2014	NIL
Mr. P. N. Pasupathy (Independent Director)	Share issue and sitting fee paid	- Till the tenure of directorship	-Issue of 30200 shares -Sitting fee paid Rs.80000	28-02-2015 08-11-2014	NIL NIL
Mr. Rajeshkumar. K. Pillai ( EVP & Company Secretary)	Issue of shares and Remuneration paid	- Till the tenure of Employment	-Issue of 30000 shares  Remuneration Paid Rs.1780200	28-02-2015 25-03-2015	NIL
Mr.Prasad.P (Chief Financial Officer)	Remuneration paid	Till the tenure of Employment	Remuneration Paid Rs.1168073	25-03-2015	NIL
Neeta Narayanan (D/o Mr.N.D.Narayanan, Chairman)	Debenture Interest		Rs.18363 paid as interest on Debentures		
Meenakshy Amma (Mother of Managing Director Mr.I.Unnikrishnan)	Debenture Issue and Interest , Subordinated debt issue and interest	-  -	Issue of 1700 debentures and Rs.53256 as interest on debentures.  Issue of 50 subordinated debt and Rs.1334432 as interest on subordinated debt	19-08-2015  25-03-2015	NIL

Mrs. Sathyalakshmy Unnikrishnan (Spouse of Managing Director Mr.I.Unnikrishnan)	Issue of Subordinated debt and interest		Issue of 1525 subordinated debt and Rs.133344 paid as interest on subordinated debt.	25-03-2015	NIL
Mr. Abhijith Unnikrishnan (S/o Managing Director Mr.I.Unnikrishnan)	Share Issue		Issue of 243726 shares	28-02-2015	NIL
Mrs.Jalajakumari Ramachandran (Spouse of Director Mr.O.Ramachandran)	Share Issue		Issue of 4950000 shares	28-02-2015	NIL
Mrs. Prasanna Pasupathy (Spouse of Director Mr.P.N.Pasupathy)	Share issue and Debenture Interest		Issue of 10000 shares  Rs.6925 paid as interest on debentures	28-02-2015	NIL
M/s Perigottukara Chits Limited (Promoter group company)	Share issue, Service charges, Loan repaid and Loan given		Issue of 5000000 shares Loan Repaid Rs.52654110 Loan given Rs. 1770189 Service Charges received Rs.53863	28-02-2015 19-08-2015  25-03-2015	NIL
M/s Yogakshemam Management & Insurance Services Ltd (Promoter group company)	Service charges		Service charges received Rs.53863	25-03-2015	NIL

**By the Order of Board of Directors  
For Yogakshemam Loans Limited,**

Sd/-  
**N.D.NARAYANAN**  
Chairman

Sd/-  
**I.UNNIKRIISHNAN**  
Managing Director and CEO

Thrissur  
23<sup>rd</sup> July 2016

## INDEPENDENT AUDITOR'S REPORT

To the Members of Yogakshemam Loans Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Yogakshemam Loans Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its loss, and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and ;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**(Sd)**

**per Bharath N S**

Partner

Membership Number: 210934

Place of Signature: Chennai

Date: July 23, 2016

**Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date  
Re: Yogakshemam Loans Limited (“the Company”)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for few assets in computer equipment, electrical fittings, office equipment and furniture & fixtures where the records are maintained for group of similar assets and not for each individual asset.
- (b) Fixed assets have been physically verified by the management during the year and discrepancies identified on such verification. The management is in the process of reconciling with books of accounts.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, fixed assets are held in the name of the Company.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company has granted loans to a firm covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grants and loans are not prejudicial to the company’s interest.
- (b) The Company has granted loan that is re-payable on demand, to a firm covered in the register maintained under section 189 of the Companies Act, 2013. The loan granted is re-payable on demand. The payment of interest has been regular and there has been no default on the part of the parties to whom the money has been lent.
- (c) There is no amount of loan granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are outstanding for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, value added tax, cess and other material statutory dues applicable to it. The provisions relating to customs duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, sales-tax, service tax, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, value added tax and cess which have not been deposited on account of any dispute

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to debenture holders. The Company did not have any outstanding dues to bank, financial institution and government during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Bharath NS

Partner

Membership Number: 210934

Chennai

Date: July 23, 2016



## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENT-S OF YOGAKSHEMAM LOANS LIMITED**

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

We have audited the internal financial controls over financial reporting of Yogakshemam Loans Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**(Sd)**

**per Bharath N S**

Partner

Membership Number: 210934

Place of Signature: Chennai

Date: July 23, 2016

## Yogakshemam Loans Limited

### Balance Sheet as at March 31, 2016

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2016	As at March 31, 2015
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	453,139,200	215,780,570
Reserves and surplus	4	(77,092,625)	(58,950,164)
		<b>376,046,575</b>	<b>156,830,406</b>
Share Application Money pending allotment		-	154,422,015
<b>Non-current liabilities</b>			
Long-term borrowings	5	652,218,000	838,412,000
Other Long Term Liabilities	6	72,278,907	90,389,685
		<b>724,496,907</b>	<b>928,801,685</b>
<b>Current liabilities</b>			
Short-term borrowings	7	-	53,228,350
Other current liabilities	8	239,440,532	61,043,400
Short-term provisions	9	14,912,616	12,196,966
		<b>254,353,148</b>	<b>126,468,716</b>
<b>Total</b>		<b>1,354,896,630</b>	<b>1,366,522,822</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10A	33,378,695	29,847,368
Intangible assets	10B	1,414,553	2,102,264
Capital work-in-progress		6,386,804	3,730,495
Long-term loans and advances	11	231,383,980	198,085,319
Other Non current assets	12	688,249	55,626,307
		<b>273,252,281</b>	<b>289,391,753</b>
<b>Current assets</b>			
Current investments	13	147,500,000	-
Cash and bank balances	14	56,606,252	265,932,431
Short-term loans and advances	11	836,822,539	757,358,375
Other current assets	12	40,715,558	53,840,263
		<b>1,081,644,349</b>	<b>1,077,131,069</b>
<b>Total</b>		<b>1,354,896,630</b>	<b>1,366,522,822</b>

Summary of significant accounting policies

2.1

contd.....

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R. BATLIBOI ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number : 101049W/E300004

**For and on behalf of the board of directors**

**per Bharath N S**

Partner

Membership no: 210934

**I Unnikrishnan**

MD and CEO

**N D Narayanan**

Chairman

**N D Vijayan**

Executive Director

**Prasad P**

Chief Financial Officer

**K. Rajesh Kumar**

Company Secretary

Place: Chennai

Date: July 23, 2016

Place: Thrissur

Date: July 23, 2016

**Yogakshemam Loans Limited**  
**Statement of profit and loss for the year ended March 31, 2016**

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2016	Year ended March 31, 2015
<b>Income</b>			
Revenue from operations	15	232,401,761	205,764,195
Other income	16	395,763	511,813
<b>Total revenue (I)</b>		<b>232,797,524</b>	<b>206,276,008</b>
<b>Expenses</b>			
Finance costs	17	115,556,713	127,590,282
Employee benefits expense	18	77,151,240	53,884,103
Other expenses	19	40,998,801	28,611,630
Provisions & Write off	20	3,784,820	58,276,904
Depreciation and amortization expense	21	13,448,411	17,651,726
<b>Total Expenses (II)</b>		<b>250,939,985</b>	<b>286,014,645</b>
<b>Profit / (Loss) before tax (I - II)</b>		<b>(18,142,461)</b>	<b>(79,738,637)</b>
<b>Tax expenses</b>			
Current tax		-	
Deferred tax		-	3,145,764
<b>Total tax expense</b>		<b>-</b>	<b>3,145,764</b>
<b>Net Profit / (Loss) for the year</b>		<b>(18,142,461)</b>	<b>(82,884,401)</b>

**Earnings per equity share** [nominal value of share Rs.10/-]

Basic EPS (Loss/Share) in Rupees 22 (0.40) (5.15)

Diluted EPS (Loss/Share) in Rupees (0.39) (5.15)

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R. BATLIBOI ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number : 101049W/E300004

**per Bharath N S**

Partner

Membership no: 210934

**I Unnikrishnan**

MD and CEO

**For and on behalf of the board of directors**

**N D Narayanan**

Chairman

**N D Vijayan**

Executive Director

**Prasad P**

Chief Financial Officer

**K.Rajesh Kumar**

Company Secretary

Place: Chennai

Date: July 23, 2016

Place: Thrissur

Date: July 23, 2016

**Yogakshemam Loans Limited**  
**Cash flow Statement for the year ended March 31, 2016**

*(All amounts are in Indian rupees unless otherwise stated)*

Particulars	As at March 31, 2016	As at March 31, 2015
<b><u>A. Cash flow from operating activities</u></b>		
<b>Net profit (loss) before taxation</b>	<b>(18,142,461)</b>	<b>(79,738,637)</b>
Depreciation and amortization	13,448,411	17,651,726
(Profit)/loss on sale of fixed assets	1,846,688	87,451
Net gain on sale of current investments	(15,949,174)	(1,419,325)
Interest Income- other than operating	(4,124,506)	(22,637,933)
<b>Operating profit before working capital changes</b>	<b>(22,921,042)</b>	<b>(86,056,719)</b>
<b><u>Movements in working capital:</u></b>		
Increase/ (decrease) in trade payable		
Increase/ (decrease) in other current liabilities	178,397,132	(157,932,758)
Increase/ (decrease) in provisions	2,715,650	(2,755,656)
Decrease / (increase) in long-term loans and advances	(33,298,661)	(153,730,397)
Decrease / (increase) in short-term loans and advances	(79,464,164)	98,784,411
Decrease / (increase) in other current assets	13,906,542	(29,391,072)
Increase/ (decrease) in cumulative interest payable	(18,110,778)	23,393,916
Decrease/ (Increase) in other non current assets	54,938,058	(544,032)
Cash generated from /(used in) operations	96,162,737	
Less: Direct taxes paid	(781,837)	
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>95,380,900</b>	<b>(308,232,306)</b>
<b><u>B. Cash flows from investing activities</u></b>		
Purchase of fixed assets, including CWIP	(20,954,553)	(18,681,767)
Proceeds from disposal of fixed assets	159,529	57,416
Investments made in Fixed Deposits with a maturity period of over 12 months		(55,000,000)
Profit from mutual funds	15,949,174	1,419,325
Purchase of Investments	(147,500,000)	-
Interest received - other than operating	4,124,506	22,637,933
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(148,221,344)</b>	<b>(49,567,093)</b>

contd...



<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of equity share capital	82,936,615	89,653,420
Net increase/ (Decrease) in NCD (private placement)	(236,126,000)	128,668,000
Application Money Received / (Repaid)	-	154,422,015
Net (repayment)/increase of Inter Corporate Deposits	(53,228,350)	(95,458,733)
Net Increase in Subordinated Debt	49,932,000	80,990,000
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>(156,485,735)</b>	<b>358,274,702</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(209,326,179)	475,303
Cash and cash equivalents at the beginning of the year	265,932,431	265,457,128
<b>Cash and cash equivalents at the end of the year</b>	<b>56,606,252</b>	<b>265,932,431</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	19,660,298	11,880,048
With banks		
- in current account	15,400,036	24,421,369
- in deposit account	21,545,918	75,208,999
- Share Application money against Rights Issue	-	154,422,015
<b>Total cash and cash equivalents (note 14)</b>	<b>56,606,252</b>	<b>265,932,431</b>

Previous year figures are regrouped or rearranged wherever necessary

As per our report of even date

**For S.R. BATLIBOI ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number : 101049W/E300004

**For and on behalf of the board of directors**

**per Bharath N S**

Partner

Membership no: 210934

**I Unnikrishnan**

MD and CEO

**N D Narayanan**

Chairman

**N D Vijayan**

Executive Director

**Prasad P**

Chief Financial Officer

**K. Rajesh Kumar**

Company Secretary

Place: Chennai

Date: July 23, 2016

Place: Thrissur

Date: July 23, 2016

# Yogakshemam Loans Limited

## Notes to the financial statements for the year ended March 31, 2016

*(All amounts are in Indian Rupees, unless otherwise stated)*

### 1) Nature of operations

M/s Yogakshemam Loans Limited ('the Company') was incorporated on 13.02.1991 in Thrissur, Kerala. The Company is a Non-Banking Finance Company ('NBFC') which provides a wide range of fund based and fee based services including gold, term, vehicle, and business loans and money exchange facilities, etc. The company operates through 90 branches spread across Kerala, Tamil Nadu and Karnataka as at March 2016. The Company is a Non-Systemically Important Non-Deposit taking NBFC, as per the revised guidelines issued by the RBI in this regard.

### 2) Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and the guidelines issued by the Reserve Bank of India as applicable to a Non-Systemically Important Non-Deposit taking NBFC. The financial statements have been prepared under the historical cost convention and on an accrual basis except for interest and discounts on non-performing assets which are recognized on realization basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### 2.1) Statement of significant accounting policies

#### a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### b) Fixed assets – Tangible Assets:

Fixed assets are stated at cost, less accumulated depreciation and 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.

#### c) Depreciation

Depreciation is provided using written down value method and as per the 'useful life' concept as prescribed in the Part C of Schedule II of the Companies Act 2013.

Nature of asset	Useful life followed as per Companies Act 2013
Safe & Furniture	10 Yrs
Office Equipments	5 Yrs
Electrical Fittings	10 Yrs
Computer Equipments	3 Yrs
Motor Car	8 Yrs
Motor Cycle	10 Yrs

#### **d) Intangible assets – Computer software & licenses**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight line basis over the estimated useful economic life of 4 years.

The amortization period and the amortization method are reviewed at least at each financial year end.

#### **e) Impairment of tangible and intangible assets :**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss statement in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is recovered if there has been a change in the estimate of recoverable amount.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### **f) Leases**

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

#### **g) 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. In a situation where management believes that the recovery of interest is uncertain due to change in the price of the gold or the account becoming overdue, or otherwise, the Company recognizes income on such loans only to the extent it is confident of recovering interest from its customers through sale of underlying security or otherwise.

Interest income on other loans given is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Such interests, where installments are overdue in respect of non performing assets are recognized on realization basis. Any such income recognized and remaining unrealized after the installments become overdue with respect to non-performing assets is reversed.

The Company charges penal interest on the gold loans which are outstanding for over 365 days, which is primarily based on negotiations with the customer. The accrual of interest happens on the closure of the loan account by the customer.

Revenues from fee-based activities are recognized as and when services are rendered.

#### **h) Employee benefits**

- i. Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Company has no obligation payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for the service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as the liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent the pre-payment will lead to, for example, a reduction in future payment or a cash refund.
- ii. Gratuity liability under the Payment of Gratuity Act which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation as per projected unit credit method made at the end of each financial year.
- iii. Actuarial gains / losses are immediately taken to statement of profit and loss and are not deferred.
- iv. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, considering the absence of unconditional right to defer its settlement.

#### **i) Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings if any, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**j) Income Tax**

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In case, there is unabsorbed depreciation or losses, deferred tax asset is recognized only if there is virtual certainty that sufficient future taxable income will be available to realize the same.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be 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 balance sheet date. The Company writes-down the carrying amount of a 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.

**k) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**l) Provisions**

- (i) A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management 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 management estimates.

**(ii) Provision policy for gold loans and other loan portfolios**

Non-performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

Provision on standard assets is made as per management estimates, subject to the minimum provision required as per Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

**m) 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 in the financial statements as there is no indication of the uncertainties relating to any outflow.

**n) Segment reporting**

The Company operates in the business of Lending and its operations are in India. Accordingly, no segment reporting is applicable.

**o) Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments / deposits with banks.

**p) Ancillary borrowing costs**

Ancillary borrowings costs incurred for the issue of debentures and other long term borrowings are expensed in the same financial year.

**q) Employee Stock Option Cost**

Measurement and disclosure of the employee share-based payments plans is done in accordance with the Guidance Note on Accounting for Share-based payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation costs relating to employee stock options using the fair value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.



## Yogakshemam Loans Limited

### Notes to the Financial statements for the year ended March 31, 2016

(All amounts are in Indian Rupees, unless otherwise stated)

NOTE: 3 Share Capital	As at March 31, 2016	As at March 31, 2015
<b>Authorized shares</b>		
6,00,00,000 Equity Shares of Rs 10 Each	600,000,000	600,000,000
<b>Issued, subscribed and fully paid-up shares</b>		
4,53,13,920 Nos Equity Shares @ Rs 10/ Share (PY,2,15,78,057 Equity Shares @ Rs 10 / Share)	453,139,200	215,780,570
<b>Total issued, subscribed and fully paid-up share capital</b>	453,139,200	215,780,570

#### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2016		As at March 31, 2015	
	No of Shares	Amount (in Rupees)	No of Shares	Amount (in Rupees)
<b>At the beginning of the year</b>	<b>21,578,057</b>	<b>215,780,570</b>	<b>12,612,715</b>	<b>126,127,150</b>
Issued during the period at face value	23,735,863	237,358,630	8,965,342	89,653,420
<b>Outstanding at the end of the period</b>	<b>45,313,920</b>	<b>453,139,200</b>	<b>21,578,057</b>	<b>215,780,570</b>

b. The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of bonus shares issued, and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date: NIL

#### d. Details of shareholders holding more than 5% shares in the Company

	March 31, 2016		March 31, 2015	
Name of shareholder	No of Shares	% holding	No of Shares	% holding
Mr. Unnikrishnan I	7,845,500	17.31	-	-
Mrs. Jalajakumari Ramachandran	7,450,500	16.44	-	-
Mr. Ramachandran Ottappath	6,100,500	13.46	3,100,500	14.37
Ms. Peringottukara Chits Ltd	2,975,500	6.57	-	-

As per 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.

e. The board of directors at their meeting held on February 28, 2015, decided to make an issue of 2,37,35,863 Equity shares of Rs 10/- each for cash at Par, payable full on application, on a rights basis to the existing shareholders, in the ratio of 11 (Eleven) Equity shares for every 10 (Ten) Equity shares held by the shareholders, as per the register of members of the company as on March 9, 2015 (record date) aggregating to Rs 237,358,630/-. The offer was issued to the shareholders, vide letter dated March 3, 2015 and the application money received till March 31, 2015 amounting to Rs 154,422,015/- is kept separately in a bank account maintained with Axis Bank Ltd opened for this purpose.

This issue was initially opened till March 30, 2015 but later extended upto April 9, 2015. The issue was fully subscribed and the allotment was done for the entire amount of Rs 237,358,630/- on April 9, 2015.

**NOTE: 4**  
**Reserves and Surplus**

	As at March 31, 2016	As at March 31, 2015
<b>Statutory reserve</b>		
<b>Balance as per the last financial statements</b>	5,202,717	5,202,717
Add: Transfer to Reserve fund as per RBI Act, 1934	-	-
<b>Closing Balance</b>	<b>5,202,717</b>	<b>5,202,717</b>
<b>Surplus/(deficit) in the statement of profit and loss</b>		
<b>Balance as per last financial statements</b>	(64,152,881)	20,286,521
Add: Depreciation on Fixed Assets till March 31, 2014*	-	(1,555,001)
Profit (Loss) for the year	(18,142,461)	(82,884,401)
Less: Appropriations		
Transfer to statutory reserve	-	-
Transfer to general reserve	-	-
Total appropriations	-	-
<b>Net surplus (Deficit) in the statement of profit and loss</b>	<b>(82,295,342)</b>	<b>(64,152,881)</b>
<b>Total reserves and surplus (Deficit)</b>	<b>(77,092,625)</b>	<b>(58,950,164)</b>

**Notes:**

a. As per the Companies (Share Capital & Debenture) Rules 2014, Non Banking Financial Companies (NBFC) and other financial institutions covered by section 2(72) of the Companies Act, 2013 are not required to maintain debenture redemption reserve for privately placed Debentures.

\* b. As per Schedule II, of the Companies Act 2013, depreciation on the fixed assets are provided based on the useful life of the Assets and the additional depreciation for assets, without any further useful life as on March 31, 2014, is charged to the Surplus as available on that date.

**NOTE: 5****Long-term borrowings**

	<b>Non-current portion</b>		<b>Current maturities</b>	
	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>Sub-ordinated debt (Unsecured)</b>				
Subordinated debts from others	148,866,000	98,934,000	-	-
<b>Debentures (Secured)</b>				
Non-convertible				
Debentures - Private placement	503,352,000	739,478,000	186,959,000	28,847,000
	<b>652,218,000</b>	<b>838,412,000</b>	<b>186,959,000</b>	<b>28,847,000</b>
The above amount includes				
Secured borrowings	503,352,000	739,478,000	186,959,000	28,847,000
Unsecured borrowings	148,866,000	98,934,000	-	-
Amount disclosed under the head "other current liabilities" (refer note 8)	-	-	(186,959,000)	(28,847,000)
<b>Net amount</b>	<b>652,218,000</b>	<b>838,412,000</b>	<b>-</b>	<b>-</b>

**Note 5 (contd.)****Subordinated debts from others:**

Subordinated debts have a face value of Rs 1,000/- each. Details of rate of interest and maturity pattern from the date of the balance sheet is as under:

**As at March 31, 2016**

Redeemable at par within	Rate of interest							
	< =12%		>12% < 13%		13.00%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	70	13,254,000	58	9,030,000	206	5,768,000	334	28,052,000
Due within 4-5 years	306	48,694,000	445	54,074,000	404	11,312,000	1,155	114,080,000
Due within 3-4 years	62	6,398,000	-	-	12	336,000	74	6,734,000
Due within 1 year	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>438</b>	<b>68,346,000</b>	<b>503</b>	<b>63,104,000</b>	<b>622</b>	<b>17,416,000</b>	<b>1,563</b>	<b>148,866,000</b>

Non-current portion 148,866,000

Current maturities -

**Total 148,866,000**

**As at March 31, 2015**

Redeemable at par within	Rate of interest							
	< =12%		>12% < 13%		13.00%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	195	27,103,000	405	47,569,000	638	17,864,000	1,238	92,536,000
Due within 4-5 years	62	6,398,000	-	-	-	-	62	6,398,000
Due within 1 year	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>257</b>	<b>33,501,000</b>	<b>405</b>	<b>47,569,000</b>	<b>638</b>	<b>17,86,000</b>	<b>1300</b>	<b>98,934,000</b>

Non-current portion 98,934,000

Current maturities -

**Total 98,934,000**

Note.

Subordinated Debts are unsecured and are subordinated to the claims of all other creditors. It is issued for a maximum maturity period of 75 months from the date of allotment and no premature closure is allowed, but is transferable.

**Note 5 (contd..)****Debentures (Secured)**

i) Private placement retail - Redeemable Non Convertible Debentures of Rs. 1,000/- each.

As at March 31, 2016

**Terms of repayment**

Redeemable at par within	Rate of interest							
	<= 11.50%		>11.50% <= 12.50%		13.00%		13.50%	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	39	24,610,000	146	93,101,000			185	117,711,000
Due within 3-4 years	33	10,555,000	45	10,010,000	11	4,850,000	89	25,415,000
Due within 2-3 years			3	200,000	955	82,256,000	958	82,456,000
Due within 1-2 years	1,554	107,224,000	1,258	90,496,000	498	42,165,000	3,865	277,770,000
Due within 1 year	859	52,816,000	1,213	98,854,000			2,641	186,959,000
<b>Grand Total</b>	<b>2,485</b>	<b>195,205,000</b>	<b>2,665</b>	<b>292,661,000</b>	<b>1,464</b>	<b>129,271,000</b>	<b>1,124</b>	<b>73,174,000</b>
							<b>7,738</b>	<b>690,311,000</b>

Non-current portion

503,352,000

Current maturities

186,959,000

**Total****690,311,000**

**As at March 31, 2015**  
**Terms of repayment**

Redeemable at par within	Rate of interest							
	<= 11.50%		>11.50% <= 12.50%		13.00%		13.50%	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	-	-	-	-	-	-	-	-
Due within 4-5 years	33	10,555,000	45	10,010,000	11	4,850,000	89	25,415,000
Due within 3-4 years	1,226	84,062,000	382	27,907,000	991	86,484,000	2,599	198,453,000
Due within 2-3 years	1,368	100,186,000	2,227	161,883,000	522	44,001,000	4,694	346,020,000
Due within 1-2 years	885	56,387,000	894	76,269,000	-	-	2,361	169,590,000
Due within 1 year	203	14,927,000	127	13,920,000	-	-	330	28,847,000
<b>Grand Total</b>	<b>3,715</b>	<b>266,117,000</b>	<b>3,675</b>	<b>289,989,000</b>	<b>1,524</b>	<b>135,335,000</b>	<b>1,159</b>	<b>76,884,000</b>
							<b>10,073</b>	<b>768,325,000</b>

Non-current portion

739,478,000

Current maturities

28,847,000

**Total**

**768,325,000**

**Nature of Security**

Non Convertible Debentures shall rank paripassu and the amount including its principal and interest amount, remuneration of the trustees, all fees & costs and other charges are fully secured by hypothecation of all moveable assets, book debts and receivables created by the company on the hire purchase, lease and loans, both present and future. No debenture redemption reserve is created, being a private placement.

Debentures are offered for a period of 366 days to 75 Months. No closure is allowed before one year from the deemed date of allotment but put option can be exercised after one year and before maturity date.



	As at March 31, 2016	As at March 31, 2015
<b>NOTE: 6</b>		
<b>Other Long Term Liabilities</b>		
Interest accrued on long term borrowings	72,278,907	90,389,685
	<b>72,278,907</b>	<b>90,389,685</b>
<b>NOTE: 7</b>		
<b>Short Term Borrowings</b>		
Inter Corporate Deposit (unsecured) (M/s Peringottukara Chits Ltd)	-	53,228,350
	-	<b>53,228,350</b>
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	-	53,228,350
Total	-	<b>53,228,350</b>

Inter Corporate Deposit/Loan taken (unsecured) from M/s Peringottukara Chits Ltd, carried an interest rate of 10% p.a and was fully paid and closed during the current year ended March 31, 2016.

	As at March 31, 2016	As at March 31, 2015
<b>NOTE: 8</b>		
<b>Other current liabilities</b>		
Current maturities of long-term borrowings (note 5)	186,959,000	28,847,000
Interest Payable to M/s Peringottukara Chits Ltd	-	11,583,436
Interest Payable on subordinated debts	612,377	289,125
Interest Payable on Debenture	40,957,057	9,729,379
Statutory dues payable	2,017,402	5,776,973
Expenses Payable	3,127,696	1,486,487
Unclaimed matured Non-Convertible debenture	5,767,000	3,251,000
Unclaimed matured subordinated debts	-	80,000
<b>Total</b>	<b>239,440,532</b>	<b>61,043,400</b>

## Yogakshemam Loans Limited

### Notes to the Financial statements for the year ended March 31, 2016

*(All amounts are in Indian Rupees, unless otherwise stated)*

**NOTE: 9****Short term provisions**

	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
- Gratuity (refer note 24)	3,121,000	4,049,000
- Leave encashment	1,004,000	1,214,000
- Bonus	2,557,605	-
<b>Total (A)</b>	<b>6,682,605</b>	<b>5,263,000</b>
Other provisions		
- Provision for Non-Performing loan portfolio	5,227,603	4,604,676
- Provision for standard assets	3,002,408	2,329,290
<b>Total (B)</b>	<b>8,230,011</b>	<b>6,933,966</b>
<b>Total (A+B)</b>	<b>14,912,616</b>	<b>12,196,966</b>

<b>Yogakshemam Loans Limited</b> <b>Notes to the Financial statements for the year ended March 31, 2016</b> <i>(All amounts are in Indian Rupees, unless otherwise stated)</i> <b>NOTE: 10A</b> <b>Tangible assets</b>										
Particulars	Freehold land	Building	Books	Office equipment	Computer equipment	Furniture and Fitting	Motor Car	Motor cycle	Electrical Fittings	Total
<b>Cost</b>										
At 1 April 2014	588,335	-	-	8,406,704	10,563,834	28,093,218	1,272,155	642,551	3,179,212	52,746,009
Additions	-	3,490,850	2,300	2,191,919	4,426,529	6,397,000	1,261,029	-	928,885	18,698,512
Deletions/adjustment	-	-	-	58,604	10,126	63,605	-	-	12,531	144,866
<b>At 31 March 2015</b>	<b>588,335</b>	<b>3,490,850</b>	<b>2,300</b>	<b>10,540,019</b>	<b>14,980,237</b>	<b>34,426,613</b>	<b>2,533,184</b>	<b>642,551</b>	<b>4,095,566</b>	<b>71,299,655</b>
Additions	1,115,885	-	4,360	6,033,219	1,744,197	9,304,394	-	-	662,564	18,864,619
Deletions/adjustment	497,625	68,750	-	332,920	80,202	4,751,461	-	-	358,574	6,089,532
<b>At 31 March 2016</b>	<b>1,206,595</b>	<b>3,422,100</b>	<b>6,660</b>	<b>16,240,318</b>	<b>16,644,232</b>	<b>38,979,546</b>	<b>2,533,184</b>	<b>642,551</b>	<b>4,399,556</b>	<b>84,074,742</b>
<b>Accumulated Depreciation</b>										
At 1 April 2014	-	-	-	2,401,789	7,094,394	11,082,627	967,314	411,080	936,935	22,894,139
Addl charge based on useful life rework till 31.03.2014	-	-	-	453,068	926,769	114,773	37,305	377	22,709	1,555,001
Revised Accumulated Depn at 1 April 2014	-	-	-	2,854,857	8,021,163	11,197,400	1,004,619	411,457	959,644	24,449,140
Charge for the year (FY 2014-15)	-	133,233	2,300	5,617,560	3,899,254	6,193,636	251,030	87,328	818,806	17,003,147
Disposals/adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2015</b>	<b>-</b>	<b>133,233</b>	<b>2,300</b>	<b>8,472,417</b>	<b>11,920,417</b>	<b>17,391,036</b>	<b>1,255,649</b>	<b>498,785</b>	<b>1,778,450</b>	<b>41,452,287</b>
Charge for the year (FY 2015-16)	-	311,733	4,360	2,164,510	2,663,775	6,329,740	434,996	54,123	797,463	12,760,700
Disposal/Adjustment	-	-	-	253,987	74,748	2,985,832	-	-	202,373	3,516,940
<b>At 31 March 2016</b>	<b>-</b>	<b>444,966</b>	<b>6,660</b>	<b>10,382,940</b>	<b>14,509,444</b>	<b>20,734,944</b>	<b>1,690,645</b>	<b>552,908</b>	<b>2,373,540</b>	<b>50,696,047</b>
<b>Net block</b>										
<b>At 31 March 2015</b>	<b>588,335</b>	<b>3,357,617</b>	<b>-</b>	<b>2,067,602</b>	<b>3,059,820</b>	<b>17,035,577</b>	<b>1,277,535</b>	<b>143,766</b>	<b>2,317,116</b>	<b>29,847,368</b>
<b>At 31 March 2016</b>	<b>1,206,595</b>	<b>2,977,134</b>	<b>-</b>	<b>5,857,378</b>	<b>2,134,788</b>	<b>18,244,602</b>	<b>842,539</b>	<b>89,643</b>	<b>2,026,016</b>	<b>33,378,695</b>

1) Depreciation during the year related to office equipment included excess depreciation charged in previous year amounting to Rs 1,494,573/-.

2) Depreciation of the fixed assets are provided based on useful life of the assets, as per Part C of schedule II of the Companies Act, 2013 and the additional depreciation of assets, without any further useful life as on March 31, 2014 is adjusted to the surplus as available as on the date. For other assets, depreciation is provided on the WDV as on April 01, 2014 for the remaining useful life

**Yogakshemam Loans Limited****Notes to the Financial statements for the year ended March 31, 2016***(All amounts are in Indian Rupees, unless otherwise stated)***NOTE: 10B****Intangible assets**

Particulars	Computer Software
<b>Cost</b>	
At 1 April 2014	-
Purchase	2,750,843
Deletions	-
<b>At 31 March 2015</b>	<b>2,750,843</b>
Purchase	
Deletions	-
<b>At 31 March 2016</b>	<b>2,750,843</b>
<b>Amortization</b>	
<b>At 1 April 2014</b>	-
Charge for the year	648,579
Deletions	-
<b>At 31 March 2015</b>	<b>648,579</b>
At 1 April 2015	648,579
Charge for the year	687,711
Deletions	-
<b>At 31 March 2016</b>	<b>1,336,290</b>
<b>Net block</b>	
<b>At 31 March 2015</b>	<b>2,102,264</b>
<b>At 31 March 2016</b>	<b>1,414,553</b>

**Yogakshemam Loans Limited****Notes to the Financial statements for the year ended March 31, 2016***(All amounts are in Indian Rupees, unless otherwise stated)***NOTE: 11****Loans and advances****Non-current****Current**

<b>Particulars</b>	<b>As at March 31 2016</b>	<b>As at March 31 2015</b>	<b>As at March 31 2016</b>	<b>As at March 31 2015</b>
<b>Portfolio Loan</b>				
<b>Secured, considered good</b>				
- Gold Loan	-	-	587,603,801	692,300,884
- Term Loan (including interest on instalments due)	95,410,518	91,181,123	102,241,535	4,065,622
- Business Loan (including interest on instalments due)	-	30,967,818	-	3,089,110
- Vehicle Loan (including interest on instalments due)	70,932,766	-	31,155,528	-
- Other loans	-	703,245	4,585,951	25,235,610
	<b>166,343,284</b>	<b>122,852,186</b>	<b>725,586,815</b>	<b>724,691,226</b>
<b>Secured, considered doubtful</b>				
- Gold Loan	-	-	-	1,550,682
- Term Loan (including interest on instalments due)	-	-	1,002,326	71,155
- Business Loan (including interest on instalments due)	-	-	-	300,660
-	-	-	-	-
- Vehicle Loan (including interest on instalments due)	-	-	41,262	-
-	-	-	-	-
- Other loans	-	-	1,239,907	975,004
		-	<b>2,283,495</b>	<b>2,897,501</b>
<b>Portfolio Loan</b>				
<b>Unsecured, considered good</b>				
- Term Loan (including interest on instalments due)	-	67,663	-	226,378
- Business Loan (including interest on instalments due)	11,668,353	27,941,524	98,478,739	25,580,177
- Other loans	5,215,200	108,259	7,505,381	2,255,919
	<b>16,883,553</b>	<b>28,117,446</b>	<b>105,984,120</b>	<b>28,062,474</b>
<b>Unsecured, considered doubtful</b>				
- Term Loan (including interest on instalments due)	-	-	-	35,317
- Business Loan (including interest on instalments due)	-	-	2,941,959	1,671,858
- Other loans	-	-	2,150	-
-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>2,944,109</b>	<b>1,707,175</b>

Loan and advances to related parties	-	-	-	-
<b>Unsecured, considered good</b>				
<u>Advances recoverable in cash or kind</u>	-	-	-	-
Unsecured, considered good (Staff Loan)	3,930,437	4,529,724	-	-
Unsecured, considered doubtful	-	-	-	-
Less: Provision for doubtful advances	-	-	-	-
	<b>3,930,437</b>	<b>4,529,724</b>	<b>-</b>	<b>-</b>
<b>Deposits (Unsecured, considered good)</b>				
Rental deposits	41,651,200	40,018,200	-	-
Security Deposit under KML Act	2,490,000	2,490,000	-	-
Other security deposits	85,506	77,763	24,000	-
	<b>44,226,706</b>	<b>42,585,963</b>	<b>24,000</b>	<b>-</b>
<b>Grand Total</b>	<b>231,383,980</b>	<b>198,085,319</b>	<b>836,822,539</b>	<b>757,358,375</b>

NOTE: 12	Non-current		Current	
	As at March 31 2016	As at March 31 2015	As at March 31 2016	As at March 31 2015
<b>Other assets</b>				
Interest accrued on loans	-	-	33,460,353	41,367,177
Interest accrued on fixed deposits and others	688,249	532,865	602,265	6,154,342
Advance tax and tax deducted at source		-	5,755,856	4,974,019
Others		93,442	897,084	1,344,725
Non-Current Bank Balances (Refer Note 14)	-	55,000,000	-	-
<b>Total</b>	<b>688,249</b>	<b>55,626,307</b>	<b>40,715,558</b>	<b>53,840,263</b>

**NOTE: 13**

	As at March 31 2016	As at March 31 2015
<b>Current Investments</b>		
Unquoted mutual funds		
27,707 units (31st March 2015 - Nil) of Rs 2,436.21 each of Reliance Mutual Fund	67,500,000	-
37,020 units (31st March 2015 - Nil) of Rs 2161 each of DSP Black Rock Mutual Fund	80,000,000	-
<b>Total</b>	<b>147,500,000</b>	<b>-</b>



**Yogakshemam Loans Limited****Notes to the Financial statements for the year ended March 31, 2016***(All amounts are in Indian Rupees, unless otherwise stated)***NOTE: 14****Cash and bank balances**

	<b>Non-current</b>		<b>Current</b>	
	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>Cash and cash equivalents</b>				
Balances with banks:				
On current accounts	-		15,400,036	24,421,369
Cash on hand			19,660,298	11,880,048
Application money towards Rights issue of Equity shares pending allotment			-	154,422,015
<b>Total</b>	<b>-</b>		<b>35,060,334</b>	<b>190,723,432</b>
<b>Other bank balances</b>				
Deposits with original maturity of less than 3 months				
Other balance				
Deposits with original maturity for more than 3 months but less than 12 months*		-	-	
		-	21,545,918	75,208,999
Deposits with original maturity for more than 12 months		55,000,000		
<b>*Total</b>	<b>-</b>	<b>55,000,000</b>	<b>21,545,918</b>	<b>75,208,999</b>
Amount disclosed under non-current assets (note 12)	-	(55,000,000)	-	
<b>Grand Total</b>	<b>-</b>	<b>-</b>	<b>56,606,252</b>	<b>265,932,431</b>

\* Represents the Fixed Deposits with Banks

**Yogakshemam Loans Limited****Notes to the Financial statements for the year ended March 31, 2016***(All amounts are in Indian Rupees, unless otherwise stated)*

	<b>Year ended March 31, 2016</b>	<b>Year ended March 31, 2015</b>
<b>NOTE: 15</b>		
<b>Revenue from operations</b>		
- Interest Received on Gold Loans	119,295,742	143,136,997
- Interest Received on Term Loans	35,120,069	1,932,393
- Interest Received on vehicle loans	12,848,092	3,445
- Interest Received on business loans	22,645,304	16,442,008
- Other Loans	3,677,751	12,284,642
<b>Total Interest income (A)</b>	<b>193,586,958</b>	<b>173,799,485</b>
<b>Other operating revenue</b>		
Money transfer	483,569	614,632
Intrest on Bank and other deposits	4,124,506	22,637,933
(Loss)/Gain on mutual funds	15,949,174	1,419,325
Collection commission	2,869,050	1,925,379
Service charges Received	94,083	570,500
Documentation fee	6,642,416	2,533,452
Bad debts recovered	7,460,253	953,459
Others	1,191,752	1,310,030
<b>Total other operating revenue (B)</b>	<b>38,814,803</b>	<b>31,964,710</b>
<b>Revenue from operations (A+B)</b>	<b>232,401,761</b>	<b>205,764,195</b>
<b>NOTE: 16</b>		
<b>Other Income</b>		
Miscellaneous receipts	395,763	511,813
<b>Total</b>	<b>395,763</b>	<b>511,813</b>
<b>NOTE: 17</b>		
<b>Finance Cost</b>		
Interest		
- on Debentures	94,664,448	110,389,472
- on Inter Corporate Deposits (M/s Peringottukara Chits Ltd)	1,486,470	12,870,484
- on Subordinated debts	19,385,472	4,330,326
- Others	20,323	-
<b>Total</b>	<b>115,556,713</b>	<b>127,590,282</b>

**Yogakshemam Loans Limited****Notes to the Financial statements for the year ended March 31, 2016***(All amounts are in Indian Rupees, unless otherwise stated)*

	<b>Year ended March 31, 2016</b>	<b>Year ended March 31, 2015</b>
<b>NOTE: 18</b>		
<b>Employee benefit expense</b>		
Salaries, wages and bonus	68,040,187	45,297,571
Contribution to provident and other funds	6,314,004	5,835,823
Gratuity Expense ( Note 24)	1,072,000	1,192,383
Staff welfare expenses	1,725,049	1,558,326
<b>Total</b>	<b>77,151,240</b>	<b>53,884,103</b>
<b>NOTE: 19</b>		
<b>Other expenses</b>		
Office expenses	3,494,369	2,785,935
Rent	12,209,686	8,233,510
Rates and taxes	782,225	149,035
Insurance	502,584	740,134
Repairs and maintenance	1,466,906	1,226,638
Advertising and sales promotion	1,457,585	1,506,799
Travelling and conveyance	5,261,678	2,408,255
Communication costs	2,856,743	2,529,791
Printing and stationery	2,290,416	1,247,636
IT Support costs	1,126,972	1,046,830
Legal and professional fees	3,471,142	1,158,229
Brokerage expenses	1,352,950	475,000
Loss on sale of fixed assets	1,846,688	87,451
Miscellaneous expenses	2,878,857	5,016,387
<b>Total</b>	<b>40,998,801</b>	<b>28,611,630</b>
Legal and professional fees includes payment to auditor		
- For statutory audit	600,000	70,000
- For ICFR certification	100,000	-
- For other certification	100,000	-
	<b>800,000</b>	<b>70,000</b>
<b>NOTE: 20</b>		
<b>Provisions &amp; Write off</b>		
Bad debts/advances written off	2,488,775	53,503,667
Provision for Non-Performing assets,	622,927	4,604,676
Provision for standard assets	673,118	168,561
<b>Total</b>	<b>3,784,820</b>	<b>58,276,904</b>

**Yogakshemam Loans Limited****Notes to the Financial statements for the year ended March 31, 2016***(All amounts are in Indian Rupees, unless otherwise stated)***NOTE: 21****Depreciation and amortization expense**

Depreciation (Note 10A)

Amortization of intangible assets (Note 10B)

**Total**

Year ended March 31, 2016	Year ended March 31, 2015
12,760,700	17,003,147
687,711	648,579
<b>13,448,411</b>	<b>17,651,726</b>

**Note: 22****Earnings per share (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

	<b>Year ended March 31, 2016</b>	<b>Year ended March 31, 2015</b>
Net profit (Loss) after transfer to statutory reserve, for calculation of basic EPS	(18,142,461)	(82,884,401)
Weighted average number of equity shares in calculating basic EPS (Nos.)	45,313,920	16,100,909
<b>Effect of dilution</b>		
Stock option granted under ESOP (No)	630,000	
<b>Basic EPS (Loss/Share) in Rupees</b>	<b>(0.40)</b>	<b>(5.15)</b>
<b>Diluted EPS (Loss/Share) in Rupees</b>	<b>(0.39)</b>	<b>(5.15)</b>

**Yogakshemam Loans Limited**

Notes to the financial statements for the year ended March 31, 2016  
(All amount are in Indian Rupees, unless otherwise stated)

Note 23 Related parties with whom transactions have taken place during the year

Particulars	Associate / Enterprises owned or significantly influenced by key management personnel or their relatives		Directors & Key Management Personnel		Relative of key management personnel	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Debentures and Subordinated Debt issued during the year						
- N D Narayanan			150,000		1,525,000	
Sathyalakshmi Unnikrishnan					1,750,000	
- Meenakshy Amma						
Debentures and Subordinated Debt redeemed during the year						60,000
- Prasanna Pasupathy						
Interest paid on Debentures & Subordinated debts						
- N D Vijayan			26,082		6,925	954
- Prasanna Pasupathy					133,344	690
- Sathyalakshmi Unnikrishnan					187,688	
- Meenakshy Amma					18,363	
- Neetha Narayanan						24,246
- Equity Shares Alloted						
- Unnikrishnan I			75,000,000		500,000	
- Ramachandran Ottappath			30,000,000		31,005,000	

**Yogakshemam Loans Limited**

Notes to the financial statements for the year ended March 31, 2016

(All amount are in Indian Rupees, unless otherwise stated)

Note 23 Related parties with whom transactions have taken place during the year

Particulars	Associate / Enterprises owned or significantly influenced by key management personnel or their relatives		Directors & Key Management Personnel		Relative of key management personnel	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
- Pushpangadhan M						
- Anoop G						
- Pasupathy P N				1,000,000		
- N D Vijayan			302,000	2,500,000		
- Uma Narayanan			1,000,000			
- Neetha Narayanan						250,000
- Swetha Narayanan						250,000
- Sathyalakshmi Unnikrishnan						250,000
- Jalajakumari Ramachandran						10,000,000
- Prasanna Pasupathy					49,500,000	
- Rajesh Kumar K					100,000	
- Abhijith Unnikrishnan			300,000			
- Peringottukara Chits Ltd	50,000,000				2,437,260	
Share Application Money received						
- N D Vijayan				1,00,000		
- Unnikrishnan I				75,000,000		
- Peringottukara Chits Ltd		50,000,000				
Loan repaid to M/s Peringottukara chits Ltd	52,654,110	95,458,733				
Loan given to M/s Peringottukara Chits Ltd.	1,770,189					
Interest expense to M/s Peringottukara Chits Ltd	1,486,470					
Interest income from M/s Peringottukara Chits Ltd	13,341					
Allowances to Directors						
N D Narayanan				200,000		
Sitting fee paid to directors						
- N D Narayanan			100,000	55,000		

**Yogakshemam Loans Limited**  
**Notes to the financial statements for the year ended March 31, 2016**  
**(All amount are in Indian Rupees, unless otherwise stated)**

Note 23 Related parties with whom transactions have taken place during the year

Particulars	Associate / Enterprises owned or significantly influenced by key management personnel or their relatives		Directors & Key Management Personnel		Relative of key management personnel	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
- ND Vijayan - P N Pasupathy - Anoop G - Pushpangadan M			80,000 160,000 166,000	10,000 51,000 130,000 130,000		
Remuneration to Directors & Key Management Personnel						
a) I Unnikrishnan b) N D Vijayan c) Rajesh Kumar K d) Prasad P			24,00,00 1,800,000 1,780,200 1,168,073	773,333 700,000		
Service charges from Peringottukara Chits Ltd.	53,863	561,000				
Service charges from Yogakshemam Management & Insurance Services Ltd	53,863	6,000				
Balance outstanding as at the year end:						
Loan from Peringottukara Chits Ltd		52,654,110				
Service charges receivable from M/s Yogakshemam Mangement & Insurance Services Ltd	53,863	6,000				
Service charges receivable from M/s Peringottukara chits Ltd	53,863					

Note:

Related parties have been identified on the basis of the declaration received by the management and other records available.



Relationship Subsidiary company	Name of the party
Associates / Enterprises owned or significantly influenced by key management personnel or their relatives	Nil M/s Peringottukara Chits Ltd M/s Yogakshemam Management & Insurance services Ltd M/s Yogakshemam Kuries (Kerala) Pvt Ltd
Key Management Personnel	N D Narayanan (Chairman)* I Unnikrishnan (Joined w-e-f 08.11.2014 , MD & CEO w-e-f 06.12.2014) N D Vijayan (Executive Director)** Rajesh Kumar K Pillai (EVP & CS w-e-f 01.04.2015) Prasad P (CFO w-e-f 01.04.2015)
Other Directors	Mr P N Pasupathy  Dr. Pushpangadan M (Joined w-e-f 08.11.2014) Mr Anoop G (Joined w-e-f 08.11.2014) Mr Ramachandran Ottappath (Joined w-e-f 08.11.2014)
Relatives of Directors & key management personnel	Prasanna Pasupathy (Wife of Mr P N Pasupathy) Uma Narayanan ( Wife of Mr N D Narayanan) Neetha Narayanan (Daughter of Mr N D Narayanan) Swetha Narayanan (Daughter of Mr N D Narayanan) Sathyalakshmi Unnikrishnan (Wife of Mr I Unnikrishnan) Jalajakumari Ramachandran ( Wife of Mr Ramachandran Ottappath) Meenakshy Amma (Mother of I Unnikrishnan) Abhijith Unnikrishnan (Son of I Unnikrishnan)
* Mr N D Nayaranan held the position as Chairman & Managing director of the company, till 06th Dec 2014 and thereafter continues in the board, as Non Executive Director & Chairman	
** Mr N D Vijayan held the position as a Non Executive Director in the company till 06th Dec 2014 and thereafter continues in the board as an Executive Director	

**Yogakshemam Loans Limited****Notes to the Financial statements for the year ended March 31, 2016***(All amounts are in Indian Rupees, unless otherwise stated)***Note 24: Employment benefits disclosures:**

The amounts of Provident fund contribution charged to the statement of Profit and loss during the year aggregates to Rs 50.13 Lakhs for March 31, 2016 (March 31, 2015, Rs. 36.35 Lakhs)

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India and Kotak Mahindra Old Mutual Life Insurance Limited.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

**Statement of Profit and Loss****Net employee benefit expense recognized in the employee cost**

	31st March 2016	31st March 2015
Current service cost	837,000	724,000
Interest cost on benefit obligation	396,000	288,383
Expected return on plan assets	(191,000)	(51,000)
Net actuarial (gain)/loss recognized in the year	30,000	231,000
<b>Net (benefit) / expense</b>	<b><u>1,072,000</u></b>	<b><u>1,192,383</u></b>

Actual return on plan assets (%pa)

7.80

8.75

**Balance sheet****Reconciliation of present value of the obligation and the fair value of plan assets:**

	31st March 2016	31st March 2015
Defined benefit obligation	5,606,000	5,073,000
Fair value of plan assets	(2,485,000)	(1,024,000)
<b>Asset/(liability) recognized in the balance sheet</b>	<b><u>3,121,000</u></b>	<b><u>4,049,000</u></b>
Experience adjustments on plan liabilities (Gain) / Loss*	(41,000)	NA
Experience adjustments on plan assets Gain / (Loss)	(48,000)	(27,000)

\* This being first actuarial valuation

**Changes in the present value of the defined benefit obligation are as follows:**

	31st March 2016	31st March 2015
Opening defined benefit obligation	5,073,000	4,071,599
Interest cost	396,000	288,383
Current service cost	837,000	724,000
Benefits paid	(699,000)	(214,982)
Actuarial loss / (gain) on obligation	(1,000)	204,000
<b>Closing defined benefit obligation</b>	<b><u>5,606,000</u></b>	<b><u>5,073,000</u></b>

**Changes in the fair value of plan assets are as follows:**

	31st March 2016	31st March 2015
Opening fair value of plan assets	1,024,000	-
Expected return	191,000	51,000
Contributions by employer	2,000,000	1,214,982
Benefits paid	(699,000)	(214,982)
Actuarial gains / (losses)	(31,000)	(27,000)
<b>Closing fair value of plan assets</b>	<b>2,485,000</b>	<b>1,024,000</b>
Expected contribution to fund to be made in the next year	3,000,000	4,000,000

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	31st March 2016	31st March 2015
	%	%
Discount rate	7.70	7.80
Attrition rate	5.00	5.00
Salary growth rate	5.00	5.00

The fund is administered by Life Insurance Corporation of India ("LIC") and Kotak Mahindra Old Mutual Life Insurance Limited. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

**Note 25:****Lease Disclosures****Operating Lease :**

Office premises are obtained on operating lease which are cancellable in nature. Operating lease payments are recognized as an expense in the statement of profit and loss.

**Finance Leases:**

The company has no assets taken on finance lease, as on 31.03.2016

**Note 26:****Disclosure required under MSMED Act 2006**

There is no amount payable to Micro and Small Enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the current year. The list of Micro and Small Enterprises was determined based on the information available with the company.

**Yogakshemam Loans Limited****Notes to the Financial statements for the year ended March 31, 2016***(All amounts are in Indian Rupees, unless otherwise stated)*

Note 27 : Gold and other loan portfolio classification and provision for Non-Performing assets (As per RBI Prudential Norms)

Particulars	Gross Loan Outstanding		Provision For Assets		Net Loan Outstanding	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b>Secured Loans</b>						
<b>A) Gold Loan</b>						
Standard Asset	587,603,801	684,936,666	1,762,811	1,809,447	585,840,990	683,127,219
Sub Standard Asset	-	3,511,102	-	351,110	-	3,159,992
Doubtful Asset	-	5,403,798	-	1,199,572	-	4,204,226
<b>Total – A</b>	<b>587,603,801</b>	<b>693,851,566</b>	<b>1,762,811</b>	<b>3,360,129</b>	<b>585,840,990</b>	<b>690,491,437</b>
<b>B) Business Loan</b>						
Standard Asset	-	31,346,703	-	78,367	-	31,268,336
Sub Standard Asset	-	3,010,885	-	300,660	-	2,710,225
<b>Total – B</b>	<b>-</b>	<b>34,357,588</b>	<b>-</b>	<b>379,027</b>	<b>-</b>	<b>33,978,561</b>
<b>C) Term Loan</b>						
Standard Asset	188,631,127	94,587,347	565,893	238,505	188,065,234	94,348,842
Sub Standard Asset	10,023,252	730,553	1,002,326	71,155	9,020,926	659,398
<b>Total – C</b>	<b>198,654,379</b>	<b>95,317,900</b>	<b>1,568,219</b>	<b>309,660</b>	<b>197,086,160</b>	<b>95,008,240</b>
<b>D) Vehicle loans</b>						
Standard Asset	101,716,934	703,245	305,151	1,758	101,411,783	701,487
Sub Standard Asset	412,622	-	41,262	-	371,360	-
<b>Total – D</b>	<b>102,129,556</b>	<b>703,245</b>	<b>346,413</b>	<b>1,758</b>	<b>101,783,143</b>	<b>701,487</b>
<b>E) Other Loans</b>						
Standard Asset	-	21,402,758	-	53,507	-	21,349,251
Sub Standard Asset	2,074,987	1,900,926	205,381	190,093	1,869,606	1,710,833
Doubtful Asset	3,727,797	2,688,477	1,011,452	566,458	2,716,345	2,122,019
Loss Asset	23,074	218,453	23,074	218,453	-	-
<b>Total – E</b>	<b>5,825,858</b>	<b>26,210,614</b>	<b>1,239,907</b>	<b>1,028,511</b>	<b>4,585,951</b>	<b>25,182,103</b>

**Yogakshemam Loans Limited****Notes to the Financial statements for the year ended March 31, 2016***(All amounts are in Indian Rupees, unless otherwise stated)*

Note 27 : Gold and other loan portfolio classification and provision for Non-Performing assets (As per RBI Prudential Norms)

Particulars	Gross Loan Outstanding		Provision For Assets		Net Loan Outstanding	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b>Secured Total</b>						
Standard Asset	877,951,862	832,976,719	2,633,855	2,181,584	875,318,007	830,795,135
Sub Standard Asset	12,510,861	9,153,466	1,248,969	913,018	11,261,892	8,240,448
Doubtful Asset	3,727,797	8,092,275	1,011,452	1,766,030	2,716,345	6,326,245
Loss Asset	23,074	218,453	23,074	218,453	-	-
<b>Total Secured (A+B+C+D+E)</b>	<b>894,213,594</b>	<b>850,440,913</b>	<b>4,917,350</b>	<b>5,079,085</b>	<b>889,296,244</b>	<b>845,361,828</b>
<b>Unsecured Loans</b>						
<b>A) Business Loan</b>						
Standard Asset	110,147,092	53,441,829	330,449	141,028	109,816,643	53,300,801
Sub Standard Asset	2,941,959	1,657,178	2,941,959	1,577,305	-	79,873
Doubtful Asset	-	94,553	-	94,553	-	-
<b>Total – A</b>	<b>113,089,051</b>	<b>55,193,560</b>	<b>3,272,408</b>	<b>1,812,886</b>	<b>109,816,643</b>	<b>53,380,674</b>
<b>B) Term Loan</b>						
Standard Asset	-	294,041	-	735	-	293,306
Sub Standard Asset	-	35,317	-	35,317	-	-
<b>Total – B</b>	<b>-</b>	<b>329,358</b>	<b>-</b>	<b>36,052</b>	<b>-</b>	<b>293,306</b>
<b>C) Other Loans</b>						
Standard Asset	12,701,234	2,364,178	38,104	5,943	12,663,130	2,358,235
Sub Standard Asset	21,497	-	2,150	-	19,347	-
<b>Total – C</b>	<b>12,722,731</b>	<b>2,364,178</b>	<b>40,254</b>	<b>5,943</b>	<b>12,682,477</b>	<b>2,358,235</b>
<b>Unsecured Total</b>						
Standard Asset	122,848,326	56,100,048	368,553	147,706	122,479,773	55,952,342
Sub Standard Asset	2,963,456	1,692,495	2,944,109	1,612,622	-	79,873
Doubtful Asset	-	94,553	-	94,553	-	-
<b>Total Unsecured (A+B+C)</b>	<b>125,811,782</b>	<b>57,887,096</b>	<b>3,312,661</b>	<b>1,854,881</b>	<b>122,499,121</b>	<b>56,032,215</b>
<b>Grand Total</b>	<b>1,020,025,376</b>	<b>908,328,009</b>	<b>8,230,011</b>	<b>6,933,966</b>	<b>1,011,795,365</b>	<b>901,394,043</b>

**Yogakshemam Loans Limited****Notes to the Financial statements for the year ended March 31, 2016***(All amounts are in Indian Rupees, unless otherwise stated)***Note: 28: Employee Stock option plans**

The Company has provided share-based payment schemes to its employees. During the year ended March 31, 2016, the Yog Loans ESOP 2015 scheme was in operation. The relevant details of the scheme and the grant are as below

Date of grant	19 Aug-15
Date of board approval	19-Aug-15
Number of options granted*	11,00,000
Method of settlement (Cash/Equity)	Equity
Exercise price	Rs 10 per share
	Grant vesting over a 5 year period in the following manner
	<ul style="list-style-type: none"> <li>• Year 1 (On 19th August 2016)–20% of the granted options</li> <li>• Year 2 (on 19th September 2016)–20% of the granted options</li> <li>• Year 3 (On 19th October 2016)–20% of the granted options</li> <li>• Year 4 (on 19th November 2016)–20% of the granted options</li> <li>• Year 5 (on 19th Dcember2016)–20% of the granted options</li> </ul>
Vesting Period	
Westing conditions	Performance of the employees and/ or such other criteria as it may deem fit
Exercise period	within a period 36 months from the date of each vesting

\*The Company has granted 690,000 options during the year to identified employees and has deferred the grant of 410,000 potions for future

The details of activity under the scheme is summarized below :

	April 1, 2015 - March 31, 2016	
	Number of shares	Exercise price
Outstanding at the beginning of the year	Nil	
Granted during the year	690,000	10
Forfeited during the year		
Exercised during the year		
Expired during the year	(60,000)	-
Outstanding at the end of the year	630,000	10
Exercisable at the end of the year	Nil	

**Note: 29 Additional disclosures as required by circular no DNBS.CC.PD.No.265/03.10.01/2011-2012 dated March 21, 2012 issued by the Reserve Bank of India:**

	March 31, 2016	March 31, 2015
Total Gold loan portfolio	587,603,801	684,936,666
Total Assets	1,354,896,630	1,366,522,822
Gold loan portfolio as a percentage age of total assets	43.37%	50.12%

**Note: 30 Expenditure in foreign currency - NIL**

**Note: 31 Value of imports on C.I.F basis - NIL**

**Note: 32 Previous year figures**

Previous year figures have been regrouped/reclassified, where necessary, to conform current year's classification. Previous year numbers have been audited by a firm other than S.R.Batliboi & Associates LLP.

As per my report of even date

**For S.R. BATLIBOI ASSOCIATES LLP For and on behalf of the Board of Directors**

Chartered Accountants

ICAI Firm registration number : 101049W/E300004

**per Bharath N S**

**I Unnikrishnan**

**N D Narayanan**

**N D Vijayan**

Partner

MD & CEO

Chairman

Executive Director

Membership no: 210934

**Prasad P**

**K. Rajesh Kumar**

Chief Financial Officer

Company Secretary

Place: Chennai

Place: Thrissur

Date : July 23, 2016

Date : July 23, 2016



Sl No	Particulars
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(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
(a) Debentures : Secured	737,035,057	11,421,809
: Unsecured		
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	-	
(c) Term Loans	-	
(d) Inter-corporate loans and borrowing	-	
	-	
(e) Commercial Paper	-	
	-	
(f) Other Loans:		
Subordinated debts	174,942,022	612,377
Bank	-	
Others	-	

**Assets side :**

	<b>Amount outstanding</b>
<b>(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>	
(a) Secured	894,213,594
(b) Unsecured	125,811,782

(i) Lease assets including lease rentals under sundry debtors :

(a) (a) Financial lease	-
(b) (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	-

**(4) Break-up of Investments :**

Current Investments:

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	147,500,000
(iv) Government Securities	-
(v) Others	-

Long Term investments:

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	-

**(5) Borrower group-wise classification of assets financed as in (2) and (3) above :**

Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1.Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	894,213,594	125,811,782	1,020,025,376
Total	894,213,594	125,811,782	1,020,025,376

\*\* As per Accounting Standard of ICAI (please see Note 3)

**(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Please see note 3 below

Category	Market Value / Break up of fair value or NAV		Book Value (Net of Provisions)
1. Related Parties **	-		-
(a) Subsidiaries			

- (b) Companies in the same group
- (c) Other related parties
- 2 Other than related parties
- Total

**Other Information :**

Amount outstanding

- (i) Gross Non-Performing Assets

- (a) Related parties -

- (b) Other than related parties

- (ii) Net Non-Performing Assets

- (a) Related parties -

- (b) Other than related parties

Assets acquired in satisfaction of debt

Notes:

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

**For and on behalf of the Board of Directors****I Unnikrishnan****N D Narayanan****N D Vijayan**

MD &amp; CEO

Chairman

Executive Director

**Prasad P****K. Rajesh Kumar**

Chief Financial Officer

Company Secretary

Place: Thrissur

Date : July 23, 2016