

# **YOGAKSHEMAM LOANS LIMITED**

## **24TH ANNUAL REPORT 2014 - 15**



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# **YOGAKSHEMAM LOANS LTD.**

24<sup>th</sup> Annual report 2014 - 15

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## **BUSINESS PROFILE AND PHILOSOPHY**

### **Yogakshemam Loans Ltd.**

Yogakshemam has its origin from the Yajur Veda with the mantra / योगक्षेमो नहह् कल्पताम् (Yogakshemo Nahah Kalpataam). The word / योगम् (Yogam) means to achieve what one desires and क्षेमम् (Kshemam) means to keep safe & secure what one has already achieved.

Yogakshemam today stands for honesty, transparency & integrity while dealing with its stakeholders and accordingly the company has adopted its vision and mission as follows.

**"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 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.' Welfare or prosperity cannot be achieved without the support of money in modern days as the medium of exchange is money. Yogakshemam with its tailor made loan products is closer to the people who are aspiring for a better life.

We have deep routed 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 the 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 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 loan portfolios include the following credit lines;

- i. Gold Loan – on the security of house hold used jewellery
- ii. Business support loan for Micro & small enterprises
- iii. Mortgage loans and
- iv. Vehicle loans

**'Gold' -the yellow metal adding glitters to life**

Gold loan is a traditional means of credit in the rural life. This was in vogue much before the concept of monetization of gold had evolved. In the past small family savings were in the form of gold usually in the form of ornaments for wearing, especially by women in our tradition. Over a time gold has attained more prominence. It is considered as an auspicious metal bringing in prosperity to the family and moreover it always gives a sense of security and wealth to the family capable of inheritance by the next generation. The emergence of specialized NBFCs has added more glitter to gold by improving its liquidity in the form of credit on the security of gold. Presently, Gold loan NBFCs are tightly regulated by the Reserve Bank of India. This is a simple form of credit helping thousands of our customers to meet their urgent financial need both for trying their luck in enterprising and income generating business ventures and also during distress situations. Our specialized gold loan schemes help a large number of our borrowers to meet their varying financial needs. Though the loan product is offered for a period of one year, the average tenure of this product is close to 4 months as gold loan is availed mostly for meeting short term financial requirements.

***Gold is as liquid as cash******Business support loans***

Micro and small business units are an integral part of the rural and urban economy alike. The relevance of these units lies in the very fact that they are engaged either in the sales or supply of essential goods or services or support services to manufacturing or service industry. Moreover, the proprietors of these ventures will be in the early stage of enterprising where the deployment of capital is limited and the avenues for formal financial support seldom exists.



***I am the bread earner- Yogloans my supporter-Sanjay Menon, Ernakulam***

Yogloans devised a business support loan product to fit into this gap to add life to the enterprising aspirations of the young and matured alike. We provide credit lines up to Rs. 2.lacs to micro & small enterprises without any security. We believe the borrowers and they have their commitment towards us. This is a saga of mutual trust and confidence well written over the years and we have supported hundreds of families to earn their livelihoods through self employment. The much talked about financial inclusion' will become ineffective unless credit extends to people truly lying in the lower level of the social pyramid. We believe in this and we support them.



***I am now my own- partnering with yogloans-Nilfar, Thanur***

The company believes in empowering women. This could not be achieved without making them financially independent. Despite the multimillion schemes developed by Governments over the years, this remains a dream. Yogloan is extending its helping hand by providing credit facilities as business support loans to enterprises promoted or run by woman either singly or as a group. We believe that financial independence of women will help to minimize the gender inequality and will bring in prosperity to families and society at large.



***My life has a new meaning—Yogloans my friend in need-Nabeeesa, Palakkad***

#### **Mortgage loans**

Yogloans has realized that the entrepreneurs have different financial requirements throughout their journey in line with their growth potential. In addition to our business support loans, we offer higher credit limits to the growing business owners who are capable of offering collateral securities as term loan to capitalize their business at different stages. Under this scheme we offer credit limits up to Rs.10 million at affordable interest rates.

#### **Vehicle loans**

One of the revolutionary inventions of the modern age is the invention of automobiles. Ever since its invention, owning an automobile is a dream of every individual depending on his/her tastes and affordability. Industrial and social developments are closely associated with mobility and the availability of credits to the automobile sector is a significant contributor for the development of automobile sector. Yogloans has multiple credit schemes to support this sector by providing credit to retail customers for purchase of vehicles. We provide credit to fulfill the aspirations of a driver to become an owner of a vehicle and to support his family. We encourage credit off take in the light commercial space which helps a man to earn livelyhood for his family.



Ratheesh Chandran- Thrissur



**Yogloans -adding life to dreams- Ms.Aseena, Kokkur**

We provide finance for new and used vehicles and has a growing customer base of private and commercial vehicles.

## MESSAGE FROM MD&CEO



**Dear Share holders,**

I have immense pleasure to address you through this communication when we are publishing our 24<sup>th</sup> Annual Report along with the financial statements for the year 2014-15. During the year under review, the management decided to review the loan portfolios meticulously and also streamlined the auction process of all defaulted gold loan accounts. The financial results of the Company for the year would have been more encouraging, but for the unrealized interest income on auctioning of defaulted gold loan accounts as also for exceptional loss on account of fraud committed by a group of customers in one of our branches.

You are aware that I took charge as Managing Director and CEO of the Company on 6<sup>th</sup> December 2014. Post that we have been taking consistent steps for an overall improvement in the operations of the company. We have taken steps to streamline the process flows: improve the recovery and collection mechanism, appoint senior management teams and subject experts and senior level professionals to take the company to its next level in the highly competitive NBFC arena. Presently our company is adequately capitalized and has a highly professional and performing board of directors, who oversee the overall functions of the management and leading the company in the proper direction. The profile of directors and senior management team is given in the following pages.

The management has set for itself certain priorities for taking the Company to the next level of growth. The priorities include strengthening of capital base, developing best in class, cost effective technology platform, broad basing the overall product offerings beyond gold loans to mortgage loan and auto loans, overall improvement in the process of efficiency and credit monitoring and strengthening the senior management.

I am delighted to inform you that we have decided to expand our operations outside the state and have taken steps for opening 8 branches in Tamil Nadu. These branches will be operational in the second quarter of FY16. We are witnessing an improved enthusiasm throughout our branches and the level of disbursements are increasing day by day. With this level of business we hope that the company will be able to register a reasonable growth in business and profitability during the ensuing year.

I am thankful to each and every one of you for giving me an opportunity to serve you as the MD&CEO of the company. While I assure you to serve the company with the best of my ability, I am sure, you will extend your whole hearted co-operation and support to take the company to its next level of growth.

Wish you all the very best,

With warm regards

**I Unnikrishnan**

**Managing Director & CEO**

## Overview of the company

Started in the year 1991, Yogakshemam Loans Limited (formerly Yogakshemam Kuries & Loans Private Limited) had a humble beginning at Anthikad, a small village in the Thrissur district of Kerala state. The company became a Non Banking Financial Company in the year 2000–01 by registering with the Reserve Bank of India. The Company gradually shifted its base to the heart of Thrissur Town. The company currently has 99 branches across various districts in Kerala. The Company has been mainly operating in the gold loan space and to a limited extent in Small and micro Business Financing. The Company was originally promoted by Mr. N D Narayanan, Chairman with an objective of doing lending against gold and other financial products. In the year 2015, the promoters joined hands with Mr. Unnikrishnan I, a chartered accountant by qualification & a former Dy. CEO of a leading NBFC and Mr. Ramachandran O, a chartered accountant by qualification & the current CEO of Choppies Group, Botswana. They have jointly expanded the capital base of the company to broad base the products offerings and to go for spatial expansion outside Kerala.

## **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 a 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. Having lived through ups and downs of the organization, he has made the necessary interventions keeping in mind the growth of the company and for the benefit of the staff members. He is penetrated to the roots of the ideology that 'customer is the King and that credibility and transparency are our core values'. He has ardently instilled in each of the family members the need to thrive on it. His vision to take the company to a higher level was manifested with expansion of our products accompanied by introduction of new systems. His positive drive and deep rooted vision was a keen factor for the resulting profitability of the organization in the subsequent period.



**Mr. Unnikrishnan I, Managing Director**

A fellow member of The Institute of Chartered Accountants of India (ICAI) Mr Unnikrishnan has been on the board of Manappuram Finance Limited since 1997 and was one of the core team members who built that organization. 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 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 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. Currently he holds the position of CEO and Director of Choppies Enterprises Ltd, an FMCG Co in African continent. Choppies has a product line of more than 50000 in Botswana and SA. He has worked as the Financial Controller at Apollo Tyres Ltd, Gujarat. He is a Guest Faculty of 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 and Financial Derivatives and Mathematics respectively from prestigious institutions in UK and CAIIB through 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. He worked as the MD of UTI Securities Exchange Ltd (UTISEL), a wholly owned subsidiary of UTI. He worked 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 such as Ministry of Finance, SEBI, FICCI, and BSE, 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.

### **Senior Management Team**

The day to day affairs of the company are managed by the executive management team headed by Managing Director and Chief Executive Officer Mr. I UnniKrishnan and supported by the Executive Director, Mr. N.D. Vijayan. The company has other Key Managerial Personnel such as Company Secretary and Chief Financial officer. The brief profile of KMPs/Senior management team is given below. The profile of MD & CEO and of the ED are given in the Board and Governance structure.

**Mr. Rajeshkumar.K., EVP & Company Secretary**

He is a graduate in commerce and a rank holder in Company Secretary examination. He also holds a diploma in mediation from Indian Institute of Arbitration and Mediation and is a member of the Chartered Institute of Arbitrators, London. He has industrial experience of more than 20 years in the fields of corporate laws, strategic management and policy matters. He has acquired Diversified industrial exposures in the fields of automobile sales & service industry, manufacturing of service machine, jewellery retail & wholesale, construction and real estate development and financial service sector over the career span. He had worked with major business houses in Kerala such as, Kuttukaran Group, Popular Motors group, Malabar Gold and Manappuram Group in different capacities. Prior to joining with YLL he was the General Manager & Company Secretary of Manappuram Finance Ltd., A ,BSE and NSE listed NBFC with pan India presence. He has contributed articles of professional importance in Chartered Secretary and other professional publications. In addition to the secretarial functions he also oversees the general Management functions of the Company such as, HR, Administration, Risk & Compliances etc.

**Mr. K.A Krishnamurthy, CGM**

Mr Krishnamurthy joined State Bank of India as Probationary Officer in 1978 and is a CAIIB from the Indian Institute of Bankers. He has vast and rich experience in banking having handled a variety of posts both operational and administrative. The range of assignments include credit, foreign exchange, treasury and gold banking. He opted for VRS in 2008 while in the grade of Deputy General Manager. Subsequently he has also held a senior position in one of the leading NBFCs heading risk management functions for more than 4 years. Mr Krishnamurthy is heading the credit related functions in the Company.

**Mr. Prasad.P., Chief Financial Officer**

He is graduate in Commerce and a Chartered Accountant by qualification. He is having nearly 12 years of experience in Accounts, finance and taxation in various sectors. He has served as the Chief Financial Officer in one of the leading Public Limited Companies in Kerala. A major portion of his post qualification experience in NBFC (Manappuram Finance Ltd.) and in Jewellery Retail Sector with Manappuram Jewellers Ltd., Kalyan Jewellers India (Pvt.)Ltd. He is overseeing the Finance, accounts and taxation functions in the company.

## Board's Report

We have great pleasure in presenting the 24<sup>th</sup> Annual report of the company with the audited financial statements for the financial year 2014-15. During the year under review the company has witnessed strategic changes and your board has been trying to give a facelift to the company and its business. The details will be explained in the following pages under respective headings. The financial performance of the company for the year ending 31<sup>st</sup> March 2015 is given below;

Financial Highlights		
	31.03.2015 (Rs. Lacs)	31.03.2014 (Rs. Lacs)
Overall loan book of the company	9214.00	8931.00
Total Income	2063.00	1951.00
Total Operating Expenditure	1407.00	699.00
Finance cost	1276.00	1102.00
Profit before depreciation/loss	(620.00)	150.00
Depreciation	177.00	63.00
Profit/ Loss before tax	(797.00)	87.00
Tax expenses	32.00	27.00
Net profit/ Loss after tax	(829.00)	60.00

### **2. State of affairs of the company and its performance**

#### **a) Financial performance, Profitability and business growth**

Your company had taken certain prudential measures and reviewed the portfolios with reference to the value of the underlying assets and made provisions/write off of Rs.528.lacs against the current year revenue which includes a principal loss of Rs.365.lacs due to a fraud reported at one of the branches involving pledge of fully spurious gold. Though the incidence was reported on 16<sup>th</sup> May 2015 as a prudential measure this has been provided in the books of accounts as on 31<sup>st</sup> March 2015 so that the financial statements will give a true and fair view.

During the year under review the overall portfolio registered a marginal growth of about 3.2 % compared to the previous year. Considering the steps initiated by the Company and the expansion and diversification plans the loan book is likely to register a higher growth during the current fiscal.

#### **b) Organisational strengthening**

As explained earlier, the company has initiated series of steps aimed at strengthening the organisation in terms its capital, Board structure, Executive management and business portfolios. As you are aware, the Board has decided to capitalise the company adequately to supplement the business growth and as per the plans the authorised capital of the company has been increased to Rs.60.crores. During the year under review, your company has issued a total of 89,65,342 shares of Rs. 10 each aggregating to Rs. 89653420 as rights issue and preferential allotments. The rights issue was made with an option to the existing share holders to renounce the shares and also to dispose of the shares not subscribed by the members in such manner in the best interest of the company. The company could attract foreign direct investment of Rs. 310.lacs.Your Board was also able to invite Mr. Ramachandran, a well known NRI business man based in Botswana, who is running a famous retail supermarket chain named Choppies, to join our Board. The next round of rights issue was opened on

16<sup>th</sup> March 2015 and closed on 9<sup>th</sup> April 2015. In this issue also the company was able to raise FDI of Rs.795.lacs. With the further issue of capital, the paid up capital of the company has increased to Rs.45.31 crores as on 30<sup>th</sup> April 2015 as against the paid up capital of Rs.12.61 crores as on 31<sup>st</sup> March 2014. With this capital base the company can potentially lend up to Rs.300.crores.

#### **c) Board and Governance**

As a measure of improving the governance structure of the company, your board was able to identify and induct reputed personalities on the board. Dr. Pushpangadan. M. has joined the board as an independent director. He was the Chief Executive of L&T Capital Company Ltd., Further Mr. Anoop G., a well known Practicing Chartered Accountant from Thrissur has joined the Board as another independent director. Mr. Anoop is the Chairman of the Audit Committee and Dr. Pushpangadan is the chairman of the Nomination, Compensation and Corporate Governance Committee.

#### **d) Management strengthening**

Your board has been taking consistent steps to strengthen the management team of the company. As a result of its continuous effort we were able to identify well known professionals to lead the company in the next phase of its growth. You are aware that Mr. I Unnikrishnan, was appointed as the Managing Director & CEO of the company on 6<sup>th</sup> December 2014 for a period of 5 years. He is a Chartered Accountant by profession and a renowned specialist in NBFC management and regulatory frame work. He has occupied the positions of Managing Director and Dy.CEO of Manappuram Finance Ltd., and he presently serves on the board of that company and that of Manppuram Home Finance Pvt.Ltd. His in-depth knowledge in financial matters will help the company grow faster and mobilise resources to support its growth. Company has also appointed subject experts with proven track records to head its operating divisions and product portfolios. The supervision of credit is entrusted with Mr. Krishnamurthy K.A, appointed as Chief General Manager, who was a senior functionary in State Bank Of India. We have also appointed senior professionals as Company Secretary and Chief Financial officer.

#### **e) Expansion and diversification plans**

To tap the expanded market for financial products across the country, our company has started expanding our operations to states outside Kerala as well. To begin with, the company has identified about 8 locations to commence operations in Tamil Nadu. Going forward your company will be focusing on a diversified portfolio of loans products like, Gold loans, Unsecured MSME loans, Term Loans on the security of immovable property and vehicle financing. Our target customers include small traders and other entrepreneurs who are outside the formal credit systems of the banks and therefore help in achieving the broader objectives of financial inclusion by extending formal credit to the people in the lower strata of the pyramid.

### **3. General business outlook**

The general business environment was more or less stable during the year under review with overall positive sentiments on Indian economy post the swearing in of the new Government at the centre. Policy initiatives of the Government, falling crude oil prices and the resultant fall in Current Account deficits, controlled inflation etc., led to upgrading the country's rating by international rating agencies and this helped in improving the inflow of foreign capital into our economy. To improve the credit off take and flow of money to the market, RBI has started easing the policy rates. The improved liquidity would lead to further demands for credit and your board believe that this will help the company to improve its business and result in the aquisition of a healthier and diversified loan portfolio in the current year.

#### **4. Extract of annual return of the company**

The annual return of the company prepared in terms of section 92 of the Companies Act, 2013 in Form MGT-9 and the contracts/ arrangements with related parties in Form AOC-2 are annexed to the report.

#### **5. Number of meeting of the Board**

Your Board has met 16 times during the year. A summary of the meetings and attendance of Board, the Audit Committee and the Nomination, Compensation and Corporate Governance Committee are given below;

<b>Directors</b>	<b>Attendance</b>		
	<b>Board meeting</b>	<b>Audit committee</b>	<b>Nomination Committee</b>
Total Meetings during the year	16	3	1
Mr. Narayanan N D	16	NA	1
Mr. Unnikrishnan I*	5	NA	NA
Mr. Vijayan N D	16	NA	NA
Mr. Pasupathy	16	NA	NA
Mr. Anoop G*	5	3	1
Dr. M. Pushpangadan*	5	3	1
Mr. O. Ramachandran *	3	3	NA

\* Appointed on the Board on 8<sup>th</sup> November 2014

#### **6. Directors**

Director Mr. P.N. Pasupathy is liable for retirement of directors by rotation as per section 152. He is eligible for re-appointment and has offered himself for re- appointment as an independent director.

Director Dr. Pushpangadan. M is an independent director on the Board of the company. He was appointed as an additional director on 8<sup>th</sup> November 2014 by the Board and his office will expire on the date of the next AGM. The Board proposes to appoint him as an independent director for a period of 4 years.

Director Mr. Anoop G is an independent director on the board of the company. He was appointed as an additional director on 8<sup>th</sup> November 2014 by the Board and his office will expire on the date of the next AGM. The board propose to appoint him as an independent director for a period of 4 years.

Director Mr. Ramachandran O was appointed is a non executive director of the company. He was appointed as an additional director on 8<sup>th</sup> November 2014.

#### **7. Auditors**

The present auditors Mr. C.S. Naryanan Namboodiri has been appointed to hold the office till the 26<sup>th</sup> Annual General Meeting. However, he has expressed his difficulties in continuing the office and submitted a letter proposing his vacation of office from the conclusion of the ensuing AGM . Hence the board proposes to appoint M/s. S.R. Batilboi & Associates LLP, Chennai as the auditors of the company for a period of five financial years commencing from the financial year 2015-16. The Board puts on record its sincere appreciation and gratitude towards the outgoing auditor for his association and guidance to the organisation.

## **8. Directors responsibility statement**

The Board of directors states that ;

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **9. Declaration of Directors independence**

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

## **10. Policy on Directors Appointment**

The Board has put up a policy on appointment of directors and their remuneration including the positive attributes of independent directors. The board of the company shall have a fair combination of executive and non executive directors and at least 1/3 of the total number of members of the board shall be independent directors. The directors of the company to be financially literate and shall come with diversified skill sets to help the board in taking decisions in a balanced manner. The remuneration of executive directors shall be a combination of fixed salary and performance based commission to be approved by the board from time to time within the overall limits prescribed under the law.

In respect of independent directors, the remuneration committee of the Board shall evaluate the independence of the directors based on the criteria set out under section 149 (6) of the Companies Act, 2013 and the rules made there under. The underlying principle 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.

## **11. Inter corporate loans and investments**

The company has not made any loans or investments falling under the provisions of section 186 of the Companies other than those loans/ advances or investments in the ordinary course of its business as a Non Banking Financial Company.

## **12. Particulars of Contract or arrangements with related parties**

The company has entered into an arrangement for sharing its branches and infrastructure for servicing the customers of Peringottukara Chits Ltd., and Yogakshemam Management services Ltd. The arrangements are mutually beneficial to the company and the contracting parties. Members are requested to refer Note no.22 of notes on accounts for details o related party transactions taken place during the year 2014-15. The required disclosure in Form AOC-2 is also attached.

**13. Dividend**

Since the company's operations for the year under review has resulted in loss your Board is not recommending any dividend for the year.

**14. Conservation of energy and technology absorption, foreign exchange earnings and outgo.**

The company is carrying on the business of lending. As an NBFC the conservation of energy and technology absorptions have limited applications only. To the extent 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.

**15. Risk management policy**

The company has framed a risk management policy defining potential elements of risk and the mitigation measures. The elements of risks will be reviewed periodically and the risk management department of the company will make periodical presentations to the audit committee.

**16. Corporate Social Responsibility (CSR)**

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

**17. Key Managerial personnel**

During the year under review, the company has appointed the following Key Managerial personnel.

1. Mr. I Unnikrishnan, Managing Director & CEO

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

and the board meeting held on 25<sup>th</sup> March 2015 approved the appointment of Mr. Rajesh Kumar. K. Pillai as EVP & Company Secretary and Mr. Prasad P as Chief Financial Officer with effect from 1<sup>st</sup> April 2015.

**18. Deposits**

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

**19. Audit Committee**

The company has constituted an audit committee and the composition of the audit committee is as follows;

Mr. Anoop. G : Chairman

Dr. Pushpagadan : 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.

**20. Internal financial control**

The Company has established control mechanisms with reference to the operations and financial statements. In line with the change in business and regulatory environment the company is in the process of reviewing and further strengthening the control mechanisms to ensure that the financial statements represent a true and fair view.

**21. Management discussion and Analysis**

A brief report on management discussion and analysis is annexed to this report.

## 22. Acknowledgement

Your board takes this opportunity to express our sincere appreciation and gratitude to our valuable customers, investors, share holders, bankers, Reserve Bank of India, Governments departments and other regulatory bodies and the auditors for their support, co-operation and guidance we have been receiving in good measure and to our employees for their commitments, affection and hard work rendered to the organisation with out which the company could not have achieved its present heights and to the public at large.

By order of the board of directors

Sd/-  
N.D.Naryanan  
Chairman

Sd/-  
I Unnikrishnan  
Managing Director & CEO

Thrissur  
30<sup>th</sup> May 2015,

## Annexure

### **Management Discussion and analysis report**

#### **a) Industry structure and developments**

The NBFC sector has been witnessing series of changes from a regulatory perspective ever since 1998. NBFCs have grown significantly over the years in terms of their geographical reach and value of assets under management. NBFCs could be broadly classified into two categories, those that accepts deposit from the public and those not accepting public deposits. The systemic importance of NBFCs in the economic system has been well recognized by the regulators and different set of guidelines have been put in place to regulate their functions including rules for conducting business. The share of NBFC to the overall banking asset has steadily grown from 10.7 percent of banking assets in 2009 to 14.3 percent in 2014. NBFCs typically have several advantages over banks due to their focus on niche segment, expertise in the specific asset classes, deeper penetration in the rural and unbanked markets, etc. The revised regulatory frame work relating to NBFCs brought in some ease of operations to small NBFCs like our company in terms of regulatory compliance, reporting, capital adequacy etc. However, on the flip side, they depend to a large extent on bank borrowings, leading to high cost of borrowings and face competition from banks which have lower cost of funds.

#### **b) Opportunities and Threats**

On the opportunities side, your management is optimistic that the general economic trend in the country is positive and accelerating the growth. The controlled level of inflation will further boost demand for credit and the company will be able to capitalise on the expanding market for credit particularly with its tailor made products targeting the under privileged and the un banked segments in the society. The adequate capitalisation of the company will help it expand its presence in a wider geographical area and tap the growing markets. We are hopeful that the company could benefit from the flow of credit from MUDRA Bank as the company has a special focus on funding to Micro Small and Medium Enterprises. On the other side, the company will face challenges from larger NBFCs and banks who have access to cheaper funds so that they will be able to offer credits at a lower cost than us. The continuing restrictions on NBFCs in accessing retail money will increase the cost of funds of the small companies like us and the window for resource mobilisation is also limited. Increasing NPAs and stress assets will be another concern. Since the company has gold loan as its major loan portfolio, the volatility in the price of gold will

have a bearing on its gold loan prospects. The slow realisation of money from defaulted accounts in respect of mortgage loans due to the lack of protection under the SARFAESI Act will also be a cause of concern for the company.

### **c) Segment-wise or product-wise performance**

The company is in the business of lending. It has only one reportable segment. The loan portfolio of the company consists of Gold Loan, micro and small business loan, Mortgage loan against property and Vehicle loans. Outstanding loan portfolios of different products as on 31<sup>st</sup> March 2015 with its corresponding previous year figures is given below;

	(Rs. In crores) <b>31.03.2015</b>	(Rs. In crores) <b>31.03.2014</b>
Gold Loan	69.61	73.19
Mortgage Loan	9.65	4.00
Micro & small Business Loan	9.25	6.55
Vehicle Loan	0.07	0.00
Other Loans	2.86	5.15
<b>Total</b>	<b>91.44</b>	<b>88.89</b>

### **d) Outlook**

The general business environment was more or less stable during the year under review with overall positive sentiments on Indian economy post the swearing in of the new Government at the centre. Policy initiatives of the Government, falling crude oil prices and the resultant fall in Current Account deficits, controlled inflation etc., led to upgrading the country's rating by international rating agencies and this helped in improving the inflow of Foreign capital into our economy. To improve the credit off take and flow of money to the market, RBI has started easing the policy rates. The improved liquidity would lead to further demands for credit and your board believe that this will help the company to improve its business and result in the acquisition of a healthier and diversified loan portfolio in the current year.

### **e) Risks and concerns**

The company has an established risk management system covering critical areas of operations of the company. The major risks revolves around credit risk which is addressed by proper customer profiling, evaluation of security(purity in the case of gold and legal title etc., in other cases), proper insurance coverage to the extent possible, recovery mechanism and continuous training to employees. In addition offsite surveillance, audit and inspection etc., also helps in identifying and mitigating the risk associated with this business to a greater extent.

### **f) Internal control systems and their adequacy**

The Company has established control mechanisms with reference to the operations and financial statements. In line with the change in business and regulatory environment the company is in the process of reviewing and further strengthening the control mechanisms to ensure that the financial statements represent a true and fair view. Considering the size of the company and level of its operations, the management is of the view that the control systems are adequate.

### **g) Discussion on financial performance with respect to operational performance**

Management has taken certain prudential measures and reviewed the portfolios with reference to the value of the underlying assets and made provisions/ written off Rs.528.lacs against the current year revenue which includes a principal loss of Rs.365.lacs due to a fraud reported at of one of the branches

involving pledge of fully spurious gold. Though the incidence was reported on 16<sup>th</sup> May 2015 as a prudential measure this has been provided in the books of accounts as on 31<sup>st</sup> March 2015 so that the financial statements will give a true and fair view.

During the year under review the overall portfolio registered a marginal growth about 3.2 % comparing the previous year. Considering the steps initiated by the company and the expansion and diversification plans the loan book is likely to register a higher growth during the current fiscal.

#### **h) Material developments in Human Resources**

Your Board has been taking consistent steps to strengthen the management team of the company. As a result of its continuous effort we were able to identify well known professionals to lead the company in the next phase of its growth. You are aware that Mr. I Unnikrishnan, was appointed as the Managing Director & CEO of the company on 6<sup>th</sup> December 2014 for a period of 5 years. He is a Chartered Accountant by profession and a renowned specialist in NBFC management and regulatory frame work. He has occupied the positions of Managing Director and Dy.CEO of Manappuram Finance Ltd., and he presently serves on the board of that company and that of Manappuram Home Finance Pvt.Ltd. His in-depth knowledge in financial matters will help the company grow faster and mobilise resources to support its growth. Company has also appointed subject experts with proven track records to head its operating divisions and product portfolios. The supervision of credit is entrusted with Mr. Krishnamurthy K.A, appointed as Chief General Manager, who was a senior functionary in State Bank Of India. We have also appointed senior professionals as Company Secretary and Chief Financial Officer. The human resource count as on the balance sheet date is about 300. The company has a fair combination of experienced employees and freshers at all levels. As a measure of bringing in qualitative improvements in their performance and personality, continuous training is provided to employees at different levels on relevant topics.

By order of the board of directors

Sd/-  
N.D. Naryanan  
Chairman

Sd/-  
I Unnikrishnan  
Managing Director & CEO

Thrissur  
30<sup>th</sup> May, 2015

## Annexure to Directors Report

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31.03.2015**

[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, THIRUVAMBADY,  
THRISSUR - 680022, KERALA, INDIA**
- vi) Whether listed company (Yes / No) : NO
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any  
**SKDC CONSULTANTS LIMITED**  
 Kanapathy Towers, Sathy Road  
 Ganapathy, Coimbatore - 641 006.

**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/ service	% 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 and household Articles, and on pronotes or bonds or on the personal Guarantee of solvent individuals as per the Object clause of Memorandum of Association.	6492	100%

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

Sl.No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	Percentage of Shares held	Application Section
1.	NIL	NA	NA	NA	NA
2.	NIL	NA	NA	NA	NA

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2) Non-institutions</b>									
a. Bodies Corp									
i. Indian	2000	2000	2000	0.01					
ii. Overseas					2000	2000	2000	0.01	
b. Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	7738265	7738265	7738265	61.36					
ii. Individual shareholders holding nominal share capital excess of Rs. 1 lakh	7024597	7024597	7024597	32.55					
c. Others (specify)									
<b>Sub-total</b>									
<b>(B)(2):</b>									
<b>TOTAL PUBLIC SHAREHOLDING</b>									
<b>(B) = (B)(1) + (B)(2)</b>	11696315	11696315	11696315	92.74					
	20542457	20542457	20542457	95.20					
<b>C. Shares held by Custodian for GDRs and ADRs</b>									
<b>GRAND TOTAL (A + B + C)</b>	12612715	12612715	12612715	100					
	21578057	21578057	21578057	100					

## (ii) Shareholding of Promoters

SL No.	Name of Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of Company	% of Share Pledged/Encumbered to Total Shares	No. of Shares	% of Total Shares of Company	% of Share Pledged/Encumbered to Total Shares	
1	Narayanan N D	766400	6.07		810600	3.75	NIL	(2.32)
2	Uma Narayanan	50000	0.40		75000	0.35	NIL	(0.05)
3	Sweta Hari	50000	0.40		75000	0.35	NIL	(0.05)
4	Neeta Narayanan	50000	0.40		75000	0.35	NIL	(0.05)

**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				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
g. Individual/HUF	NIL	916400	916400	7.26%	NIL	1035600	1035600	4.80%	
h. Central Govt									
i. State Govt(s)									
j. BodiesCorp.									
k. Banks / FI									
l. AnyOther....									
<b>Sub-total</b>									
<b>(A)(1):</b>									
<b>2) Foreign</b>									
a. NRIs Individuals	NIL	916400	916400	7.26%	NIL	1035600	1035600	4.80%	
b. Other Individuals									
c. Bodies Corp.									
d. Banks/FI									
e. Any other									
<b>Sub-total</b>									
<b>(A)(2):</b>									
<b>TOTAL Shareholdings of Promoter</b>									
<b>(A) = (A)(1) + (A)(2)</b>									
<b>B. Public Share</b>									
<b>1) Institutions</b>									
a. Mutual Funds	NIL	NIL	NIL						
b. Banks/FI									
c. Central Govt.									
d. State Govt(s).									
e. Venture Capital Funds									
f. Insurance Companies									
g. FIIs									
h. Foreign Venture Capital Funds									
i. Other (Specify)									
<b>Sub-total</b>									
<b>(B)(1):</b>									

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

SL No.		Shareholding at begining of the Year		Cumulative Share holding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the begining of the year	916400	7.26	1035600	4.79
	Date wise increase / decrease in promoters Shareholding during the year specifying the reasons for increase / decrease. (eg. Allotment/Transfer/ Bonus/Sweat Equity etc.)	25000 transfer on 30.07.14 5500 transfer on 10.06.14 11200 transfer on 29.10.14 25000 transfer on 28.02.15 75000 allotment on 6.12.14			
	At the end of the year	1035600		10356010	

(iv) Shareholding Pattern of top ten Shareholders  
(*other than Directors, Promoters and Holders of GDRs and ADRs*) :

SL No.	For each of the Top 10 Shareholders	Shareholding at begining of the Year		Cumulative Share holding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the begining of the year	1344100	6.22	2924700	13.55
	Date wise increase / decrease in promoters Shareholding during the year specifying the reasons for increase / decrease. (eg. Allotment/Transfer/ Bonus/Sweat Equity etc.)	31.03.14 Shanthi Chandran 300500 Thommilmamma Balan 200000 Chandran Poduval 25000 Raman Namboothiri E.N. 121200 Priya Vengopal 103000 Dr. Anoop Chandran 100000 Dinesan M.R. 80000 Jayakrishnan 67400 Vinayakumar 62000 Kumar Krishna Moorthy 60000 Josekutty E.J. 250000 Sathilakshmi 1000000 Sathyaranarayanan 500000 Mohanam Nair 100000		31.03.2015 300500 200000 250000 121200 103000 100000  250000 1000000 500000 100000	
	At the end of the year (or on the date of Separation, if separated during the year)	1344100		2924700	

## (v) Shareholding of Directors and Key Managerial Personnel

SL No.	For each of the Directors and KMP	Shareholding at begining of the Year		Cumulative Share holding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year	839130	6.70	4404910	20.41
	Date wise increase / decrease in promoters Shareholding during the year specifying the reasons for increase / decrease. (eg. Allotment/Transfer/ Bonus/Sweat Equity etc.)	<b>Narayanan N.D.</b> 25000 transfer on 30.7.14 5500 transfer on 10.9.14 11200 transfer on 29.10.14 25000 transfer on 28.2.15 <b>Vijayan Namboothiri N.D.</b> 11500 transfer on 30.7.14 520 transfer 10.9.14 <b>Ramachandran Ottapath</b> 500 transfer on 10.9.14 3100000 allotment 6.12.14 <b>Anoop G.</b> 250000 allotment 10.1.15 <b>Pushpangadan Mangari</b> 100000 allotment 10.1.15 <b>Pasupathy P.N.</b> 9060 allotment 6.12.14 <b>Unnikrishnan I</b> 50000 transfer 22.8.14		31.03.2015	
	At the end of the year	4404910		4404910	

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Debt	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount Sub-ordinate Debt Debenture	654400000	17944000		17944000 654400000
ii) Interest due but not paid	NIL	NIL		NIL
iii) Interest accrued but not due	61824379	9123033		70947412
<b>TOTAL (i + ii + iii)</b>	<b>716224379</b>	<b>27067033</b>		<b>743291412</b>
<b>Change in Indebtedness during financial year</b>				
i) Addition	117176000	81070000		198246000
ii) Reduction				
<b>Net Charge</b>	<b>117176000</b>	<b>81070000</b>		<b>198246000</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount Sub-ordinate Debt Debenture	771576000	99014000		99014000 771576000
ii) Interest due but not paid	NIL	NIL		NIL
iii) Interest accrued but not due	81177094	13164234		94341328
<b>TOTAL (i + ii + iii)</b>	<b>852753094</b>	<b>112178234</b>		<b>964931328</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SL No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary Unnikrishnan I.  Vijayan N.D.  (a) Salary as per provisions contained in section 17(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 section 17(3) Income- tax Act	Managing Director& CEO  Executive Director	7,73,333 710000***
2.	Stock Option	NIL	
3.	Sweat Equity	NIL	
4.	Commission - as % of Profit - others, specify..	NIL	
5.	Others, please specify	NIL	
	TOTAL		1,483,333
	Ceiling as per the Act		

\*\* Remuneration to Executive Director includes sitting fee paid Rs 10,000/-

b. Remuneration to Other Director:

SL No.	Particulars of Remuneration	Name of Directors	Total Amount
	3. Independent Directors Fee for attending board committee meetings  Audit Committee Meeting Travelling Allowance	M. Pushpangathan Anoop G.  M. Pushpangathan Anoop G.	1,00,000 1,00,000  30,000 30,000
	TOTAL(1)		2,60,000
	4. Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify	N.D. Narayanan P.N. Pasupathy	55,000 51,000
	TOTAL (2)		1,06,000
	<b>TOTAL (B) = (1+2)</b>		<b>3,66,000</b>
	Total Managerial Remuneration		18,49,333
	Overall Ceiling as per the Act		N.A.*

\*\* overall ceiling on managerial remuneration applicable is 11% of the net profit. However, since there is net loss for the year ended 31<sup>st</sup> March 2015, the remuneration is paid as per section II of part II of Schedule V of the Companies Act, 2013

## b. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SL. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	EVP & Company Secretary	CFO	TOTAL
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (c) Value of perquisites u/s 17(3) Income Tax Act, 1961	As explained in point no. VI (1)	NA	NA	
2.	Stock Option	NIL			
3.	Sweat Equity	NIL			
4.	Commission - as % of Profit - others specify	NIL			
5.	Others, please specify	NIL			
	TOTAL				

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment Compo- unding fee imposed	Authority RD/NCLT/ Court	Appeal if any
<b>A. COMPANY</b>					
Punishment	Nil				
Compounding	Nil				
<b>B. DIRECTORS</b>					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				

For Yogakshemam Loans Ltd.

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

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

## **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 transaction under third proviso thereto.

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

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
(a)	Name (s) of the related party & nature of relationship	Nil
(b)	Nature of contracts/arrangements / transaction	Nil
(c)	Duration of the contracts/ arrangements/transaction	Nil
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
(e)	Justification for entering into such contracts or arrangements or transactions'	Nil
(f)	Date 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

1. Details of contracts or arrangements or transactions at Arm's length basis.

(a) Name (s) of the related party & nature of relationship	(b) Nature of contracts / arrangements / transaction	(c ) Duration of the contracts/ arrangements/ transaction	(d) Salient terms of the contracts or arrangements or transaction including the value, if any	(e) Date of approval by the Board	(f) Amount paid as advances, if any
Mr.ND Narayanan Director	Debenture Issue, Payment of sitting fee	Till the tenure of directorship	As per terms applicable to de- benture issue Value Rs.150,000, Sitting fee is paid as per the Board resolution and Articles of Association Value Rs.55,000	6.2.2015	NIL
Mrs.Prasanna Pasupathy (Spouse of Director Mr. P.N.Pasupathy)	Debenture Redemption, payment of interest on debentures		As applicable to terms of de- benture issue Rs. 60, 000,interest paid Rs. 954.		NIL
Mr.Unnikrishnan   (Managing Director)	Share Issue, Share application money received & Remuneration Paid	Till the tenure of employment	As per terms of share issue (Rs.500,000 & Share application Rs.75,000,000. as per approval from Board Remuneration paid Rs.7,73,333.	6.12.2014	NIL
Mr.Ramachandran Ottapathu (Director)	Share Issue	Till the tenure of employment	As per terms of share issue (Rs.31,005,000)	6.12.2014	NIL
Dr.Pushpangadhan M (Director)	Share Issue & payment of sitting fees	Till the tenure of Directorship	As per terms of share issue (Rs.1,000,000) Sitting fee is paid as per the Board resolution and Articles of Association Rs.130,000.	8.11.2014	NIL
Mr. Anoop G (Director)	Share Issue & payment of sitting fees	Till the tenure of Directorship	As per terms of share issue (Rs.25,00,000) Sitting fee is paid as per the Board resolution and Articles of Association (Rs.130,000)	8.11.2014	NIL
Uma Narayanan (Spouse of director Mr. N.D. Narayanan)	Share Issue		As per terms of share issue (Rs.250,000)	6.12.2014	NIL
Neetha Narayanan (Daughter of director Mr. N.D. Narayanan)	Share Issue & Payment of debenture interest		As per terms of share (250,000) & debenture issue. Interest paid Rs. 24,246.	6.12.2014	NIL
Swetha Narayanan (Daughter of director Mr. N.D Narayanan)	Share Issue		As per terms of share issue (Rs.250,000)	Share Issue: 6.12.2014	NIL
Sathyalakshmi Unnikrishnan (Spouse of Director Mr. I Unnikrishnan)	Share Issue, debenture issue & Payment of deben- ture interest		As per terms of share (Rs.10,000,000) & debenture issue (Rs.700,000) Debenture interest paid Rs. 10,011	6.12.2014	NIL
Mrs.Jalajakumari Ramachandran (Spouse of Director)	Share Issue		As per terms of share issue (Rs.5000)		NIL
Peringottukara Chits Limited (Sister Concern)	Inter corporate Loan repaid & Interest payment on loan & Share application money received & receipt of service charges	Till the period of loan	As per terms of loan agreement (repayment Rs.95,458,733, Interest paid Rs.12870484), (Share application money Rs.50, 000,000), (Service charges received Rs.561000)	As per AGM resolution 28.08.2010	NIL
Mr.P N Pasupathy (Director)	Payment of sitting fees	Till the tenure of Directorship	As per Articles of Association (5,1000)	8.11.2014	NIL
N D Vijayan (Executive Director) Yogakshemam Management & Insurance Services Ltd (Sister concern)	Payment of sitting fees & Remuneration	Till the tenure of Directorship	As per Articles of Association & Board approval- Sitting fees Rs.10,000,Remuneration paid Rs.700,000	6.12.2014	NIL
	Receipt of service charges		6,000	2.5.2015	NIL

Form shall be signed by the people who have signed the Board's Report.

For Yogakshemam Loans Ltd.

Sd/-  
**N.D.Naryanan** (Chairman)

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

**INDEPENDENT AUDITORS REPORT**

To,

The Members of **Yogakshemam Loans limited.**

**Report On the Financial Statements**

I have audited the accompanying standalone financial statements of M/s. Yogakshemam Loans Limited, which comprise the Balance Sheet as at March 31, 2015, and 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 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes the 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 standalone 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of the such control. 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 standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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, 2015, its loss, and its cash flow for the year ended on that date.

**Report On Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, I give in the Annexure 1 a statement on the matters specified in paragraph 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 standalone 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, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act and
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanation 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 required to be transferred to the Investor Education and Protection Fund by the Company.

As per our report of even date attached

C.S.NARAYANAN NAMBOODIRI  
Chartered Accountant

Membership No. 201525

Place : THERISSUR

Date : 30.05.2015

ANNEXURE I referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Yogakshemam Loans Limited, on the accounts of the Company for the year ended 31-03-2015

- i. a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b. All fixed assets have been physically verified by the Management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies having noticed on such verification.
- 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. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not recommended upon.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedures commensurate with size of the Company and the nature of its business for the purchases of fixed assets and for rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct major weaknesses in internal controls system of the Company in respect of these areas.
- 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 clause 148(1) of the Companies Act, 2013.
- vii. a. The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, excise duty, value added tax, cess and other material statutory dues applicable to it. The provisions relating to the customs duty is 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, wealth tax, service tax, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for more than six months from the date they became payable.  
c. According to the records of the Company, there are no dues outstanding of wealth tax, excise duty and cess on account of any disputes.  
d. According to the information and explanations given to us, there are no amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. The accumulated loss of the Company are not more than 50% of its Net Worth . The Company has incurred cash loss of Rs.30,10,007 during the financial year covered by our Audit and has not incurred cash losses in the immediately preceding financial year.

- ix. Based on our audit procedure and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions& banks or debenture holders.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution.
- xi. Based on the information and explanation given to us by the management, the Company has not taken any term loans during the year under Audit.
- xii. A fraud on the Company by third parties as customers has been noticed / reported, as shown in Note 29 to the financial statements. Gold loan related fraud by customers totaling to Rs.4.18 crores ( Principal Rs.3.65 crores and interest accrued on it amounting to Rs.52.8 lacs) were detected. The outstanding balances of those loans were written off from the books as on 31.03.2015 and interest accrued was not recognised.

C.S.NARAYANAN NAMBOODIRI  
Chartered Accountant  
(Membership No.201525)

Place : Thrissur

Date : 30-05-2015

**Yogakshemam Loans Limited**  
 (Formerly known as Yogakshemam Kuries & Loans Ltd)

**Balance Sheet as at March 31, 2015**  
 (All amounts are in Indian Rupees, unless otherwise stated)

	Note No.	As at March 31, 2015	As at March 31, 2014
<b>Equity and liabilities</b>			
Shareholders' funds			
Share capital	3	215,780,570	126,127,150
Reserves and surplus	4	(58,950,164)	25,489,238
		<b>156,830,406</b>	<b>151,616,388</b>
Share Application Money pending allotment		154,422,015	-
<b>Non-current liabilities</b>			
Long-term borrowings	5	932,753,328	523,068,412
		<b>932,753,328</b>	<b>523,068,412</b>
<b>Current liabilities</b>			
Short-term borrowings	6	52,654,110	148,112,843
Other current liabilities	7	63,186,043	397,751,801
Short-term provisions	8	12,196,966	14,952,622
		<b>128,037,119</b>	<b>560,817,266</b>
<b>TOTAL</b>		<b>1,372,042,868</b>	<b>1,235,502,066</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9A	29,847,368	29,851,871
Intangible assets	9B	2,102,264	-
Capital work-in-progress		3,730,495	3,975,364
Deferred tax assets (net)	10	-	3,145,764
Long-term loans and advances	11	198,085,319	44,354,922
Other Non current assets	12	631,756	87,724
		<b>234,397,202</b>	<b>81,415,645</b>
<b>Current assets</b>			
Current investments		-	-
Cash and bank balances	13	320,932,431	265,457,128
Short-term loans and advances	11	763,452,661	862,237,072
Other current assets	12	53,260,574	26,392,221
		<b>1,137,645,666</b>	<b>1,154,086,421</b>
<b>TOTAL</b>		<b>1,372,042,868</b>	<b>1,235,502,066</b>

Summary of significant accounting policies                    2.1

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

Previous year figures are regrouped or rearranged wherever necessary

As per my report of even date

For and on behalf of the board of directors

**C.S Narayanan Namboodiri**

Chartered Accountant

Membership no. 201525

**I Unnikrishnan**

MD & CEO

**N D Narayanan**

Chairman

**N D Vijayan**

Executive Director

**Prasad P**

VP&Chief Financial Officer

**Rajesh Kumar K Pillai**

EVP&Company Secretary

Place: Thrissur

Date : May 30, 2015

Place: Thrissur

Date : May 30, 2015

## **Yogakshemam Loans Limited**

(Formerly known as Yogakshemam Kuries & Loans Ltd)

## **Statement of Profit and Loss for the year ended March 31, 2015**

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

	Notes	Year ended March 31, 2015	Year ended March 31, 2014
<b>Income</b>			
Revenue from operations	14	181,648,250	185,325,920
Other income	15	24,627,758	9,769,151
<b>Total revenue</b>		<b>206,276,008</b>	<b>195,095,071</b>
<b>Expenses</b>			
Finance costs	16	127,590,282	110,231,431
Employee benefits expense	17	52,995,506	43,552,991
Other expenses	18	29,500,227	23,809,786
Provisions & Write off	19	58,276,904	2,413,660
Depreciation and amortization expense	20	17,651,726	6,350,371
<b>Total Expenses</b>		<b>286,014,645</b>	<b>186,358,239</b>
<b>Profit before tax</b>		<b>(79,738,637)</b>	<b>8,736,832</b>
<b>Tax expenses</b>			
Current tax		-	3,321,073
Deferred tax		3,145,764	(621,392)
<b>Total tax expense</b>		<b>3,145,764</b>	<b>2,699,681</b>
<b>Profit for the year</b>		<b>(82,884,401)</b>	<b>6,037,151</b>
Earnings per equity share [nominal value of share Rs.10/-]	21		
Basic EPS (Loss/Share) in Rupees		(5.15)	0.42
Diluted EPS (Loss/Share) in Rupees		(5.15)	0.42

## Summary of significant accounting policies 2.1

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

Previous year figures are regrouped or rearranged wherever necessary

As per my report of even date

For and on behalf of the board of directors

**C.S Narayanan Namboodiri**  
Chartered Accountant  
Membership no. 201525

I Unnikrishnan  
MD & CEO

MD & CEO

**N D Narayanan**  
Chairman

## Chairman

N D Vijayan

## Executive Director

**Prasad P**  
VP&Chief Financial Officer

**Rajesh Kumar K Pillai**  
EVP&Company Secretary

Place: Thrissur  
Date : May 30, 2015

Place: Thrissur  
Date : May 30, 2015

# **Yogakshemam Loans Limited**

**(Formerly known as Yogakshemam Kuries & Loans Ltd)**

**Notes to the financial statements for the year ended March 31, 2015**

(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') not taking public deposit, within the meaning of Reserve Bank of India Act 1934, which provides a wide range of fund based and fee based services including gold loans, money exchange facilities, etc. The Company is not Systemically Important, as per the revised guidelines issued by the RBI in this regard. The company increased its authorized capital from Rs 25 Crores to Rs 60 Crores divided into equity shares of Rs 10 each, and the company entered into the business of vehicle loans and loans against property also during the FY 2014-15. As on 31.03.2015, the company operates through 99 branches spread across Kerala.

## **2) Basis of preparation**

The financial statements of the Company have been prepared in accordance with 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 including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Reserve Bank of India as applicable to a non deposit accepting 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 have been consistently applied by the Company and are consistent with those used in the previous year, except for certain changes in estimates discussed in note 2.1(c).

### **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	Rate of depreciation followed as per Companies Act 1956 (till 31.03.2014)	Useful life followed as per Companies Act 2013
Safe & Furniture	18.10 %	10 Yrs
Office Equipments	13.91 %	5 Yrs
Electrical Fittings	13.91 %	10 Yrs
Computer Equipments	40.00 %	3 Yrs
Motor Car	25.89 %	8 Yrs
Motor Cycle	25.89 %	10 Yrs

The additional depreciation of Rs 15,55,001/- on the assets without any further useful life as on 31.03.2014, is charged to the retained earnings/surplus available in balance sheet as on that date. Depreciation on other assets is provided based on the balance available useful life of those items as on 01.04.2014 and charged to the profit & loss account for the current year.

#### **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 nonperforming 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.

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.

#### **I) 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**

Secured loans are classified / provided for, as per management's best estimates, subject to the minimum provision required as per Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as follows :

<b>Classification of loans (Gold and other loans)</b>	
<b>Asset Classification</b>	<b>Provisioning policy</b>
Standard Assets	0.25%
Sub-standard assets	100% of unsecured portion + 10% for others
Doubtful assets	100% of unsecured portion + 20%, 30% & 50% of secured portion depending on the period of loan.
Loss assets	100% provided / written off in books.

Other loans are classified /provided for, as per the management's best estimates, subject to the minimum provision required as per the Non – Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007.

**m) Segment reporting**

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

**n) 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.

**o) Ancillary borrowing costs**

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

**p) Surplus on auction of pledged gold**

The Company has a policy of refund of any surplus that arises on auction of pledged gold which has been re-possessed by the Company in accordance with the terms of the agreement with the customers.

**q) 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.

## **Yogakshemam Loans Limited**

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

**NOTE : 3**

### SHARE CAPITAL

	As at March 31, 2015	As at March 31, 2014
<b>Authorized shares</b>		
6,00,00,000 Equity Shares of Rs 10 Each, (PY- 2,50,00,000 Equity Shares of Rs 10 Each)	600,000,000	250,000,000
<b>Issued, subscribed and fully paid-up shares</b>		
2,15,78,057 Equity Shares @ Rs 10 / Share, (PY- 1,26,12,715 Equity Shares @ Rs 10/share)	215,780,570	126,127,150
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>215,780,570</b>	<b>126,127,150</b>

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

	<b>March 31, 2015</b>		<b>March 31, 2014</b>	
	<b>No of Shares</b>	<b>Amount (in Rupees)</b>	<b>No of Shares</b>	<b>Amount (in Rupees)</b>
At the beginning of the year	12,612,715	126,127,150	10,933,570	109,335,700
Issued during the year			1,679,145	16,791,450
on 30th July 2014	2,057,350	20,573,500		
on 06th dec 2014*	6,011,392	60,113,920		
on 10th Jan 2015	880,150	8,801,500		
on 28th Feb 2015	16,450	164,500		
<b>Outstanding at the end of the period</b>	<b>21,578,057</b>	<b>215,780,570</b>	<b>12,612,715</b>	<b>126,127,150</b>

#### b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. 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 (Equity shares of Rs.10/- each fully paid)

	<b>March 31, 2015</b>		<b>March 31, 2014</b>	
	<b>No of Shares</b>	<b>% holding in the class</b>	<b>No of Shares</b>	<b>% holding in the class</b>
Mr N.D. Narayanan , Chairman	-	-	766,400	6.08
Mr Ramachandran Ottappath	3,100,500	14.37	-	-

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 in its meeting held on 10th Sept 2014, made a right issue of one new equity share for every two equity shares held by the existing shareholders on 6th Dec 2014, allotted 6011392 Equity shares of Rs 10/share, fully paid up , aggregating to Rs 6,01,13,920/-,against the said right issue, out of the unissued equity share capital of the company.
- f. The Board of Directors at its meeting held on 28th Feb 2015, made a right issue of 2,37,35,863 Equity shares of Rs 10/- each for cash at Par, to the existing shareholders, in the ratio of 11 (Eleven) Equity shares for every 10 (Ten) Equity shares held by the shareholders , aggregating to Rs 23,73,58,630/-. The offer was issued to the shareholders, vide letter dated 03rd March 2015 and the application money received till 31st March 2015 amounting to Rs 15,44,22,015/- is kept separately in a bank account maintained with Axis Bank Ltd opened for this purpose.

This issue was initially opened till 30th March 2015 but later extended upto 9th April 2015. The issue was fully subscribed and the allotment was done for the entire amount of Rs 23,73,58,630/- on 9th April 2015

#### **NOTE : 4 RESERVES AND SURPLUS**

	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
<b>Statutory Reserve</b>		
Balance as per the last financial statements	5,202,717	3,995,287
Add: Transfer to Reserve fund as per RBI Act, 1934	-	1,207,430
<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>		
Balance as per last financial statements	20,286,521	15,456,800
Addl Depreciation on Fixed Assets till 31.03.2014*	(1,555,001)	-
Profit (Loss) for the year	(82,884,401)	6,037,151
Less: Appropriations		
Transfer to statutory reserve	-	1,207,430
Transfer to general reserve	-	-
Total appropriations	-	1,207,430
Net surplus (Deficit) in the statement of profit and loss	(64,152,881)	20,286,521
<b>Total reserves and surplus (Deficit)</b>	<b>(58,950,164)</b>	<b>25,489,238</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 31.03.2014, is charged to the Surplus as available on that date.

**NOTE: 5**  
**LONG - TERM BORROWINGS**

	Non-current portion		Current maturities	
	March 31 2015	March 31 2014	March 31 2015	March 31 2014
<b>Sub-ordinated debt (Unsecured)</b>				
Subordinated debts from others (Including Cumulative Interest)	112,098,234	26,987,033	-	80,000
<b>Debentures (Secured)</b>				
Non-convertible Redeemable Debentures - Private placement (Including Cumulative Interest)	820,655,094	496,081,379	28,847,000	205,400,000
<b>Term loans</b>				
Indian rupee loan from banks (secured)	-	-	-	170,000,000
	<b>932,753,328</b>	<b>523,068,412</b>	<b>28,847,000</b>	<b>375,480,000</b>
The above amount includes:				
Secured borrowings	820,655,094	496,081,379	28,847,000	375,400,000
Unsecured borrowings	112,098,234	26,987,033	-	80,000
Amount disclosed under the head “other current liabilities”	-	-	(28,847,000)	(375,480,000)
<b>Net amount</b>	<b>932,753,328</b>	<b>523,068,412</b>	-	-

**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, 2015**

Redeemable at par	Number	Rate of interest						Total	
		<=12%		>12% < 13%		13.00%			
		Amount	Number	Amount	Number	Amount	Number		
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>17,864,000</b>	<b>1,300</b>	<b>98,934,000</b>	
Non-current portion								98,934,000	
Current maturities								-	
Matured but not claimed								80,000	
Accrued Interest on cumulative scheme								13,164,234	
<b>Total</b>								<b>112,178,234</b>	

**As at March 31, 2014**

	Rate of interest						Total Number Amount
	<=12%	Number	Amount	>12% < 13%	Number	Amount	
Redeemable at par	-	-	-	-	638	17,864,000	638 17,864,000
Due above 5 years	4	80,000	-	-	-	-	4 80,000
Due within 1 year							
<b>Grand Total</b>	<b>4</b>	<b>80,000</b>	<b>-</b>	<b>-</b>	<b>638</b>	<b>17,864,000</b>	<b>642 17,944,000</b>
Non-current portion							
Current maturities							
Accrued Interest on cumulative schemes							
<b>Total</b>							<b>27,067,033</b>

Note :

Subordinated Debts are unsecured and are subordinated to the claims of all other creditors.

**DEBENTURES (SECURED)**

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

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

	Rate of interest						Total Number Amount
	<=11.50%	Number	Amount	>11.50% < 12.50%	Number	Amount	
Redeemable at par	-	-	-	-	-	-	-
Above 5 years	33	10,555,000	45	10,010,000	11	4,850,000	-
Due within 4-5 years	1,226	84,062,000	382	27,907,000	991	86,484,000	-
Due within 3-4 years	1,368	100,186,000	2,227	161,883,000	522	44,001,000	577 39,950,000
Due within 2-3 years	885	56,387,000	894	76,269,000	-	582 36,934,000	4,694 2,361 169,590,000
Due within 1-2 years	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 76,884,000 10,073 768,325,000</b>
Non-current portion							
Current maturities							
Redeemed but not claimed							
Interest Accrued on Cumulative scheme							
<b>Total</b>							<b>852,753,094</b>

**As at March 31, 2014  
Terms of repayment**

<b>Redeemable at par</b>	<=11.50%		>11.50% <12.50%		13.00%		Rate of interest		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Above 5 years	-	-	-	-	-	-	-	-	-	-
Due within 4-5 years	-	-	390	28,340,000	437	38,839,000	-	-	827	67,179,000
Due within 3-4 years	-	-	2,281	165,711,000	536	45,198,000	587	40,406,000	3,404	251,315,000
Due within 2-3 years	11	745,000	913	63,413,000	-	-	587	37,200,000	1,511	101,358,000
Due within 1-2 years	-	-	130	14,405,000	-	-	-	-	130	14,405,000
Due within 1 year	2,604	181,342,000	390	24,058,000	-	-	-	-	2,994	205,400,000
<b>Grand Total</b>	<b>2,615</b>	<b>182,087,000</b>	<b>4,104</b>	<b>295,927,000</b>	<b>973</b>	<b>84,037,000</b>	<b>1,174</b>	<b>77,606,000</b>	<b>8,866</b>	<b>639,657,000</b>
Non-current portion										434,257,000
Current maturities										205,400,000
Redeemed but not claimed										14,743,000
Interest Accrued on cumulative scheme										61,824,379
<b>Total</b>										<b>716,224,379</b>

**Nature of Security**

Non Convertible Debentures shall rank pari passu and the amount including its principal and interest , 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 63 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.

## **Yogakshemam Loans Limited**

(Formerly known as Yogakshemam Kuries & Loans Ltd)

### **Notes to the Financial Statements for the year ended March 31, 2015**

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

#### **NOTE: 6**

#### **SHORT-TERM BORROWINGS**

	As at March 31, 2015	As at March 31, 2014
Inter Corporate Loan (unsecured) (M/s Peringottukara Chits Ltd)	52,654,110	148,112,843
	52,654,110	148,112,843
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	52,654,110	148,112,843
<b>Total</b>	<b>52,654,110</b>	<b>148,112,843</b>

Inter Corporate Deposit/Loan taken (unsecured) from M/s Peringottukara Chits Ltd, carry interest rate at 10.00% (8.00% in FY 2013-14)

#### **NOTE: 7**

#### **OTHER CURRENT LIABILITIES**

	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term borrowings (note 5)	28,847,000	375,480,000
Interest Payable to M/s Peringottukara Chits Ltd (net of TDS)	11,583,436	-
Interest Payable on subordinated debts (monthly scheme)	289,125	-
Interest Payable on Debenture (monthly Scheme)	5,777,736	-
Interest Not Realized	-	4,285,087
Statutory dues payable*	4,129,409	584,654
Expenses Payable	390,787	4,350
Audit Fee Payable	63,000	70,000
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unclaimed matured Non convertible debenture	3,251,000	14,743,000
Unclaimed matured subordinated debts	80,000	-
Sundry Creditors	-	1,802,186
TDS Payable	1,647,564	185,814
Others	63,482	12,296
Rent Payable	42,250	49,518
Collection from borrowers pending adjustment to loan account	7,021,254	534,896
<b>Total</b>	<b>63,186,043</b>	<b>397,751,801</b>

Note : 7 (A) Based on the information available with the Company, there are no amounts outstanding to Micro, Small and Medium Enterprises. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006.\*Statutory dues payable as on 31.03.2015 includes VAT Rs 33,01,646/-, Provident fund Rs 7,15,993/- and ESI Rs 1,11,770/-, which were paid within respective due dates

**NOTE : 8**  
**SHORT TERM PROVISIONS**

	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits		
- Gratuity	4,049,000	4,071,599
- Leave encashment	1,214,000	-
<b>Total (A)</b>	<b>5,263,000</b>	<b>4,071,599</b>
Other provisions		
Provision for non performing loan portfolio	4,604,676	5,386,180
Provision for taxation	-	3,334,114
Provision for standard assets	2,329,290	2,160,729
<b>Total (B)</b>	<b>6,933,966</b>	<b>10,881,023</b>
<b>Total (A+B)</b>	<b>12,196,966</b>	<b>14,952,622</b>

**Yogakshemam Loans Limited**

(Formerly known as Yogakshemam Kuries &amp; Loans Ltd)

**Notes to the Financial Statements for the year ended March 31, 2015**

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

**NOTE: 9A  
TANGIBLE ASSETS**

	<b>Freehold Land</b>	<b>Building</b>	<b>Books equipment</b>	<b>Office equipment</b>	<b>Computer equipment</b>	<b>Furniture &amp; Fitting</b>	<b>Motor Car</b>	<b>Motor cycle</b>	<b>Electrical Fittings</b>	<b>Total</b>
<b>Cost</b>										
At 1 April 2013	530,065	-	-	6,769,106	8,749,393	24,110,877	1,272,155	642,551	2,670,968	44,745,115
Additions	58,270	-	-	1,637,598	1,814,441	3,986,341	-	-	508,244	8,004,895
Deletions	-	-	-	-	-	4,000	-	-	-	4,000
<b>At 31 March 2014</b>	<b>588,335</b>	<b>-</b>	<b>-</b>	<b>8,406,704</b>	<b>10,563,834</b>	<b>28,093,218</b>	<b>1,272,155</b>	<b>642,551</b>	<b>3,179,212</b>	<b>52,746,010</b>
<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	52,746,010
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>71,299,656</b>
<b>Accumulated Depreciation</b>										
At 1 April 2013	-	-	-	1,567,025	5,340,980	7,828,645	860,820	331,269	615,029	16,543,768
Charge for the year	-	-	-	834,763	1,753,415	3,253,982	106,495	79,811	321,905	6,350,371
Deletions	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,401,789</b>	<b>7,094,394</b>	<b>11,082,627</b>	<b>967,315</b>	<b>411,080</b>	<b>936,934</b>	<b>22,894,139</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	-	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>
<b>Net Block at 31 March 2014</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>Net Block at 31 March 2015</b>	<b>588,335</b>	<b>3,357,617</b>	<b>-</b>							

Note- Depreciation on the fixed assets are provided based on the useful life of the Assets, as per Part C of Schedule II, of the Companies Act 2013 and the additional depreciation for assets, without any further useful life as on 31.03.2014 amounting to Rs. 1555001, is charged to the Surplus as available on that date. For other assets, depreciation is provided on the WDV as on 01.04.2014 for the remaining useful life.

**Yogakshemam Loans Limited**  
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**Notes to the Financial Statements for the year ended March 31, 2015**

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

**NOTE: 9B  
INTANGIBLE ASSET**

		<b>Computer Software</b>
Cost		
At 1 April 2013		-
Purchase		-
Deletions		-
<b>At 31 March 2014</b>		-
Cost		
At 1 April 2014		-
Purchase		2,750,843
Deletions		-
<b>At 31 March 2015</b>		<b><u>2,750,843</u></b>
Amortization		
At 1 April 2013		-
Charge for the year		-
Deletions		-
<b>At 31 March 2014</b>		-
Amortization		
At 1 April 2014		-
Charge for the year		648,579
Deletions		-
<b>At 31 March 2015</b>		<b><u>648,579</u></b>
<b>Net block</b>		
<b>At 31 March 2014</b>		-
<b>At 31 March 2015</b>		<b><u>2,102,264</u></b>

## **Yogakshemam Loans Limited**

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### **Notes to the Financial Statements for the year ended March 31, 2015**

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

#### **NOTE: 10**

#### **DEFERRED TAX ASSETS (NET)**

	As at March 31, 2015	As at March 31, 2014
<b>Deferred Tax Asset</b>		
Fixed assets	-	2,005,378
Provision for advances	-	1,029,826
Other provisions	-	110,560
<b>Net deferred tax asset</b>	<b>-</b>	<b>3,145,764</b>

#### **NOTE : 11**

<b>LOANS AND ADVANCES</b>	<b>Non-current</b>		<b>Current</b>	
	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
<b>Portfolio Loan</b>				
<b>Secured, considered good</b>				
- Gold Loan	-	-	687,233,773	731,878,746
- Term Loan	91,181,123	-	4,220,946	-
- Business Loan	28,351,283	-	2,995,420	-
- Other loans	703,245	-	21,402,758	15,593,665
	<b>120,235,651</b>	<b>-</b>	<b>715,852,897</b>	<b>747,472,411</b>
<b>Secured, considered doubtful #</b>				
- Gold Loan	-	-	8,914,900	-
- Term Loan	-	-	730,553	-
- Business Loan	2,616,535	-	394,350	-
- Other loans	-	-	4,807,856	-
	<b>2,616,535</b>	<b>-</b>	<b>14,847,659</b>	<b>-</b>
<b>Portfolio Loan</b>				
<b>Unsecured, considered good</b>				
- Gold Loan	-	-	-	-
- Term Loan	67,663	-	226,378	40,060,430
- Business Loan	27,857,534	26,682,338	28,553,644	37,662,655
- Other loans	108,259	-	2,269,026	10,453,491
	<b>28,033,456</b>	<b>26,682,338</b>	<b>31,049,048</b>	<b>88,176,576</b>

	Non-current	Current		
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Unsecured, considered doubtful #</b>				
- Gold Loan	-	-	-	-
- Term Loan	-	-	35,317	-
- Business Loan	83,990	-	1,667,740	1,129,350
- Other loans	-	-	-	25,458,735
	<b>83,990</b>	<b>-</b>	<b>1,703,057</b>	<b>26,588,085</b>
Loan & advances to related parties	NIL	NIL	NIL	NIL
Unsecured, considered good				
Advances recoverable in cash or kind				
Unsecured, considered good (Staff Loan)	4,529,724	4,246,159	-	-
Unsecured, considered doubtful	-	-	-	-
Less: Provision for doubtful advances	-	-	-	-
	<b>4,529,724</b>	<b>4,246,159</b>	<b>-</b>	<b>-</b>
Deposits (Unsecured, considered good)				
Rental deposits	40,018,200	10,573,200	-	-
Security Deposit under KML Act	2,490,000	2,790,000	-	-
Other security deposits	77,763	63,225	-	-
	<b>42,585,963</b>	<b>13,426,425</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>198,085,319</b>	<b>44,354,922</b>	<b>763,452,661</b>	<b>862,237,072</b>

## **Yogakshemam Loans Limited**

(Formerly known as Yogakshemam Kuries & Loans Ltd)

### **Notes to the Financial Statements for the year ended March 31, 2015**

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

#### **NOTE: 12**

#### **OTHER ASSETS**

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Interest accrued:</b>				
Loan Portfolio (Secured, considered good)	-	-	41,367,177	10,601,377
Loan Portfolio (Secured, considered doubtful)	-	-	-	-
Fixed deposits and investment	-	-	6,148,893	-
Advance tax and tax deducted at source	-	-	4,974,019	3,817,672
Reverse charge paid on service tax	-	-	364,619	-
Advance for software	-	-	-	2,522,719
Receivable from Weizmann Forex	-	-	399,866	-
Service charges receivable from Yogakshemam Management & Insurance Services Ltd	-	-	6,000	-
Others	631,756	87,724	-	9,450,453
<b>Total</b>	<b>631,756</b>	<b>87,724</b>	<b>53,260,574</b>	<b>26,392,221</b>

#### **NOTE: 13**

#### **CASH AND BANK BALANCES**

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Cash and cash equivalents</b>				
Balances with banks :				
On current accounts	-	-	24,421,369	28,620,066
Deposits with original maturity of less than three months*	-	-	-	20,000,000
Cash on hand	-	-	11,880,048	14,943,919
Share Application money pending allotment	-	-	154,422,015	-
	-	-	<b>190,723,432</b>	<b>63,563,985</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 3 months but less than 12 months*	-	-	75,208,999	201,893,143
Deposits with original maturity for more than 12 months*	-	-	55,000,000	-
	-	-	<b>130,208,999</b>	<b>201,893,143</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>320,932,431</b>	<b>265,457,128</b>

\* Represents Fixed Deposits with Banks

**Yogakshemam Loans Limited**  
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**Notes to the Financial Statements for the year ended March 31, 2015**  
 (All amounts are in Indian Rupees, unless otherwise stated)

**NOTE: 14**  
**REVENUE FROM OPERATIONS**

	Year ended March 31, 2015	Year ended March 31, 2014
- Interest Received on Gold Loans	142,224,322	138,536,539
- Other Loans	33,500,542	45,647,896
<b>Total Interest income (A)</b>	<b>175,724,864</b>	<b>184,184,435</b>
<b>Other operating revenue</b>		
- Money transfer	614,632	705,153
- Documentation Fee	2,533,452	-
- Bad debts recovered	953,459	436,332
- Others	1,821,843	-
<b>Total other operating revenue (B)</b>	<b>5,923,386</b>	<b>1,141,485</b>
<b>Revenue from operations (A+B)</b>	<b>181,648,250</b>	<b>185,325,920</b>

**NOTE: 15**  
**OTHER INCOME**

- Gratuity Receipts	-	2,300,000
- Bank and other deposits	22,637,933	7,469,151
- (Loss)/Gain on mutual funds	1,419,325	-
- Service charges Received	570,500	-
<b>Total Other Income</b>	<b>24,627,758</b>	<b>9,769,151</b>

**NOTE: 16**  
**FINANCE COST**

**Interest**

- on Debentures	109,238,062	106,405,616
- on Inter Corporate Deposits (M/s Peringottukara Chits Ltd)	12,870,484	711,020
- on Subordinated debts	4,330,326	3,114,795
- Others	1,151,410	-
<b>Total</b>	<b>127,590,282</b>	<b>110,231,431</b>

## **Yogakshemam Loans Limited**

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### **Notes to the Financial Statements for the year ended March 31, 2015**

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

#### **NOTE : 17**

#### **EMPLOYEE BENEFIT EXPENSE**

	<b>Year ended March 31, 2015</b>	<b>Year ended March 31, 2014</b>
Salaries, wages and bonus	45,297,570	34,043,236
Contribution to provident and other funds	5,835,823	4,297,178
Gratuity Expense (Note 23)	1,192,383	4,071,599
Staff welfare expenses	669,730	1,140,978
<b>Total</b>	<b>52,995,506</b>	<b>43,552,991</b>

#### **NOTE : 18**

#### **OTHER EXPENSES**

Customer & other Meeting expenditure	524,618	1,648,012
Office expenses	1,891,691	456,885
Water & Electricity Charges	1,782,842	1,532,211
Appraising Charges	129,990	377,878
Rent	8,233,510	7,046,522
Rates and taxes	149,035	131,339
Insurance	740,134	765,020
Repairs and maintenance	1,226,638	912,035
Filing Fee	2,727,924	-
Bank Charges	157,533	140,477
Advertising and sales promotion	982,181	2,220,691
Travelling and conveyance	2,408,255	592,914
Communication costs	2,529,791	2,201,163
Printing and stationery	1,247,636	1,319,666
IT Support costs	1,046,830	-
Legal and professional fees	1,088,229	1,386,576
Directors' sitting fees	376,000	64,000
Brokerage exp	475,000	-
Donation & charitable expenses	36,600	-
Service Tax Expenses	75,598	-
Income tax paid	-	357,795
Statutory Auditors fee	70,000	70,000
Loss on sale of Fixed Assets	87,451	-
Miscellaneous expenses	1,512,742	2,586,602
<b>Total</b>	<b>29,500,227</b>	<b>23,809,786</b>

## **Yogakshemam Loans Limited**

(Formerly known as Yogakshemam Kuries & Loans Ltd)

### **Notes to the Financial Statements for the year ended March 31, 2015**

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

#### **NOTE : 19**

#### **PROVISIONS & WRITE OFF**

	<b>Year ended March 31, 2015</b>	<b>Year ended March 31, 2014</b>
Bad debts/ Advances written off	53,503,667	1,590,925
Provision for non performing assets	4,604,676	1,029,948
Provision for standard assets	168,561	(207,213)
<b>Total</b>	<b>58,276,904</b>	<b>2,413,660</b>

#### **NOTE : 20**

#### **DEPRECIATION (NOTE 9A)**

Amortization of intangible assets (Note 9B)	17,003,147	6,350,371
	648,579	-
<b>Total</b>	<b>17,651,726</b>	<b>6,350,371</b>

#### **NOTE: 21**

#### **EARNINGS PER SHARE (EPS)**

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

Net profit (Loss) after transfer to statutory reserve, for calculation of basic EPS	(82,884,401)	4,829,721
Weighted average number of equity shares in calculating basic EPS (Nos.)	16,100,909	11,480,325
Basic EPS (Loss/Share) in Rupees	(5.15)	0.42
Diluted EPS (Loss/Share) in Rupees	(5.15)	0.42

There are no dilutive potential equity shares for the company and hence the basic & diluted EPS are same

## **Yogakshemam Loans Limited**

(Formerly known as Yogakshemam Kuries &amp; Loans Ltd)

### **Notes to the Financial Statements for the year ended March 31, 2015**

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

#### **NOTE : 22 RELATED PARTY TRANSACTIONS**

Related parties with whom transactions have taken place during the year

<b>Particulars</b>	<b>Associates / Enterprises owned or significantly influenced by key management personnel or their relatives</b>	<b>Directors &amp; Key Management Personnel</b>		<b>Relatives of key management personnel</b>	
		<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
<b>Debentures and Subordinated Debt issued during the year</b>					
- N D Narayanan	150,000		40,000		
- N D Vijayan	-	200,000			
- Prasanna Pasupathy			700,000		
- Sathyalakshmi Unnikrishnan				60,000	
<b>Debentures and Subordinated Debt redeemed during the year</b>					
- Prasanna Pasupathy			60,000		
<b>Interest paid on Debentures &amp; Subordinated debts</b>					
- Prasanna Pasupathy	954			5,956	
- Sathyalakshmi Unnikrishnan	10,011			-	
- Neetha Narayanan	24,246			22,668	
<b>Equity Shares Alloted</b>					
- Unnikrishnan I	500,000			-	
- Ramachandran Ottappath	31,005,000			-	
- Pushpangadhan M	1,000,000			-	
- Anoop G	2,500,000			-	
- N D Narayanan	-	290,000			
- Pasupathy P.N.	-	30,200			
- N D Vijayan	-	91,000			
- Uma Narayanan			250,000		
- Neetha Narayanan			250,000		
- Sweetha Narayanan			250,000		
- Sathyalakshmi Unnikrishnan			10,000,000		
- Jalajakumari Ramachandran			5,000		

**Yogakshemam Loans Limited**

(Formerly known as Yogakshemam Kuries &amp; Loans Ltd)

**Notes to the Financial Statements for the year ended March 31, 2015**

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

**Share Application Money received**

- N D Vijayan	-	1,000,000
- Unnikrishnan I	-	75,000,000
- Peringottukara Chits Ltd	50,000,000	-

**Share Application Money refunded**

- Peringottukara Chits Ltd	-	30,000,000
Loan taken from M/s Peringottukara Chits Ltd	-	103,358,824
Loan repaid to M/s Peringottukara Chits Ltd	95,458,733	-

**Interest expense- to M/s Peringottukara Chits Ltd**

12,870,484

711,020

**Allowances to Directors**

- N D Narayanan	-	200,000
- N D Narayanan	-	300,000

**Sitting fee paid to directors**

- N D Narayanan	55,000	18,000
- N D Vijayan	10,000	18,000
- P N Pasupathy	51,000	18,000
- Anoop G	130,000	-
- Pushangadan M	130,000	-
- M K Narayanan	-	10,000

**Remuneration to Directors**

a) Unnikrishnan	773,333	-
b) N D Vijayan	700,000	180,000
Service charges from Peringottukara Chits Ltd	-	
Service charges from Yogakshemam Management & Insurance Services Ltd	561,000	-
Service charges from Yogakshemam Management & Insurance Services Ltd	6,000	-

**Balance outstanding as at the year end :**

Loan from Peringottukara Chits Ltd	52,654,110	148,112,843
Interest Payable to Peringottukara chits Ltd	12,870,484	-
Service charges receivable from M/s Yogakshemam Management & Insurance Services Ltd	6,000	-

**Note:**

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

## **Yogakshemam Loans Limited**

(Formerly known as Yogakshemam Kuries & Loans Ltd)

### **Notes to the Financial Statements for the year ended March 31, 2015**

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

Relationship	Name of the party
Subsidiary company	Nil
Associates / Enterprises owned or significantly influenced by key management personnel or their relatives	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)* Unnikrishnan (Joined w-e-f 08.11.2014 , MD & CEO w-e-f 06.12.2014) N D Vijayan (Executive Director)**
Other Directors	Mr P N Pasupathy Mr M K Narayanan Namboodiri ( Resigned w-e-f 26.08.2014) Dr. Pushpagadan 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)

\* 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**

(Formerly known as Yogakshemam Kuries & Loans Ltd)

### **Notes to the Financial Statements for the year ended March 31, 2015**

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

#### **NOTE 23**

#### **EMPLOYMENT BENEFIT DISCLOSURES**

The amounts of Provident fund contribution charged to the statement of Profit and loss during the year aggregates to Rs 36.35 Lakhs for March 31, 2015 (March 31, 2014 Rs. 29.15 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.

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 recognised in the employee cost.

	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Current service cost	724,000	-
Interest cost on benefit obligation	288,383	-
Expected return on plan assets	(51,000)	-
Net actuarial (gain)/loss recognized in the year	231,000	
Net (benefit) / expense	1,192,383	4,071,599
<b>Actual return on plan assets</b>	<b>8.75</b>	-

#### **Balance sheet**

Reconciliation of present value of the obligation and the fair value of plan assets :

	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Defined benefit obligation	5,073,000	4,071,599
Fair value of plan assets	(1,024,000)	-
Asset/(liability) recognized in the balance sheet	4,049,000	4,071,599
Experience adjustments on plan liabilities (Gain) / Loss*	NA	-
Experience adjustments on plan assets Gain / (Loss)	(27,000)	-

\* This being first actuarial valuation

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

	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Opening defined benefit obligation	4,071,599	-
Interest cost	288,383	-
Current service cost	724,000	-
Benefits paid	(214,982)	-
Actuarial loss / (gain) on obligation	204,000	-
Closing defined benefit obligation	5,073,000	-

## **Yogakshemam Loans Limited**

(Formerly known as Yogakshemam Kuries & Loans Ltd)

### **Notes to the Financial Statements for the year ended March 31, 2015**

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

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

	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Opening fair value of plan assets	-	-
Expected return	51,000	-
Contributions by employer	1,214,982	-
Benefits paid	(214,982)	-
Actuarial gains / (losses)	(27,000)	-
Closing fair value of plan assets	1,024,000	-
Expected contribution to fund to be made in the next year	4,000,000	-

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

	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>%</b>	<b>%</b>
Discount rate	7.80	-
Attrition rate	5.00	-
Expected Rate of Return on Assets	8.50	-
Salary growth rate	5.00	-

The fund is administered by Life Insurance Corporation of India ("LIC"). 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.

Actuarial valuation is done for the first time as on 31.03.2015 and hence, previous year figures are not available

#### **NOTE : 24**

#### **LEASE DISCLOSURE**

##### **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 31.03.2015

**Yogakshemam Loans Limited**

(Formerly known as Yogakshemam Kurries &amp; Loans Ltd)

**Notes to the Financial Statements for the year ended March 31, 2015**

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

**NOTE : 25**  
**GOLD AND OTHER LOAN PORTFOLIO CLASSIFICATION AND PROVISION FOR NON PERFORMING ASSETS**  
(As per RBI Prudential Norms)

	Particulars	Grossing Loan Outstanding		Provision for Assets		Net Loan Outstanding	
		31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>Secured Loans</b>							
<b>A) Gold Loan</b>							
Standard Asset	687,233,774	-	1,809,447	-	685,424,327	-	
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>696,148,674</b>	-	<b>3,360,129</b>	-	<b>692,788,545</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>34,357,588</b>	-	<b>379,027</b>	-	<b>33,978,561</b>	-	
<b>C) Term Loan</b>							
Standard Asset	95,402,069	-	238,505	-	95,163,564	-	
Sub Standard Asset	730,553	-	71,155	-	659,398	-	
<b>Total - C</b>	<b>96,132,622</b>	-	<b>309,660</b>	-	<b>95,822,962</b>	-	
<b>D) Other Loans</b>							
Standard Asset	22,106,003	-	55,265	-	22,050,738	-	
Sub Standard Asset	1,900,926	-	190,093	-	1,710,833	-	
Doubtful Asset	2,688,477	-	566,458	-	2,122,019	-	
Loss Asset	218,453	-	218,453	-	-	-	
<b>Total - D</b>	<b>26,913,859</b>	-	<b>1,030,269</b>	-	<b>25,883,590</b>	-	

**Yogakshemam Loans Limited**

(Formerly known as Yogakshemam Kuries &amp; Loans Ltd)

**Notes to the Financial Statements for the year ended March 31, 2015**

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

<b>Secured Total</b>				
Standard Asset	836,088,549	-	2,181,584	- 833,906,965
Sub Standard Asset	9,153,466	-	913,018	- 8,240,448
Doubtful Asset	8,092,275	-	1,766,030	- 6,326,245
Loss Asset	218,453	-	218,453	-
<b>Total Secured (A+B+C+D)</b>	<b>853,552,743</b>	<b>-</b>	<b>5,079,085</b>	<b>- 848,473,658</b>
<b>Unsecured Loans</b>				
<b>A) Gold loans</b>		-	-	-
<b>B) Business Loan</b>				
Standard Asset	56,411,178	-	141,028	- 56,270,150
Sub Standard Asset	1,657,178	-	1,577,305	- 79,873
Doubtful Asset	94,553	-	94,553	-
<b>Total - B</b>	<b>58,162,909</b>	<b>-</b>	<b>1,812,886</b>	<b>- 56,350,023</b>
<b>C) Term Loan</b>				
Standard Asset	294,041	-	735	- 293,306
Sub Standard Asset	35,317	-	35,317	-
<b>Total - C</b>	<b>329,358</b>	<b>-</b>	<b>36,052</b>	<b>- 293,306</b>
<b>D) Other Loans</b>				
Standard Asset	2,377,285	-	5,943	- 2,371,342
<b>Unsecured Total</b>				
Standard Asset	59,082,504	-	147,706	- 58,934,798
Sub Standard Asset	1,692,495	-	1,612,622	- 79,873
Doubtful Asset	94,553	-	94,553	-
<b>Total Unsecured (A+B+C+D)</b>	<b>60,869,552</b>	<b>-</b>	<b>1,854,881</b>	<b>- 59,014,671</b>
<b>Grand Total</b>	<b>914,422,295</b>	<b>-</b>	<b>6,933,966</b>	<b>- 907,488,329</b>

## **Yogakshemam Loans Limited**

(Formerly known as Yogakshemam Kuries & Loans Ltd)

### **Notes to the Financial Statements for the year ended March 31, 2015**

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

#### **NOTE: 26**

**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:**

	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Total Gold loan portfolio	696,148,673	731,878,746
Total Assets	1,372,042,869	1,235,502,066
Gold loan portfolio as a percentage age of total assets	50.74%	59.24%

The LTV does not exceed 75% during the financial year 2014-15

#### **NOTE : 27**

Expenditure in foreign currency - NIL

#### **NOTE : 28**

Value of imports on C.I.F basis - NIL

#### **NOTE: 29**

#### **FRAUDS**

Fraud, committed by 3 customers, were detected by the Management involving 51 cases of gold loan where the pledged items were spurious, at one of the branches, and the outstanding balances of those loans were written off in the books as on 31.03.2015, totaling to Rs 3.65crores. The unrealised interest in respect of those accounts amounting to Rs 52.8 lakhs has not been recognised.

#### **NOTE : 30**

During the financial year 2014-15, the company has auctioned gold jewellery of about 49.29Kg relating to 1730 number of accounts with outstanding of Rs 14.6crores in compliance with the applicable guidelines issued by RBI and realised Rs 10.84 crores net of taxes. No group or associate companies or related parties have participated in the auction.

#### **NOTE: 31**

#### **PREVIOUS YEAR FIGURES**

Previous year figures have been regrouped/reclassified, where necessary, to conform current year's classification.

As per my report of even date

For and on behalf of the board of directors

**C.S Narayanan Namboodiri**

Chartered Accountant

Membership no. 201525

**I Unnikrishnan**

MD & CEO

**N D Narayanan**

Chairman

**N D Vijayan**

Executive Director

**Prasad P**

VP&Chief Financial Officer

**Rajesh Kumar K Pillai**

EVP&Company Secretary

Place: Thrissur

Date : May 30, 2015

Place: Thrissur

Date : May 30, 2015

**Schedule to the  
Balance Sheet of a non-deposit taking non-banking financial company**  
(as required in terms of paragraph 13 of Non-Banking Financial  
(Non- Deposit Accepting or Holding) Companies Prudential Norms  
(Reserve Bank) Directions, 2007)

SI No	Particulars	Amount Out Standing	Amount Overdue
-------	-------------	------------------------	-------------------

**Liabilities side :**

(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a)	Debentures : Secured	858,530,830	9,028,736
	: Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
(b)	Deferred Credits	-	-
(c)	Term Loans	-	-
(d)	Inter-corporate loans and borrowing	64,237,546	-
(e)	Commercial Paper	-	-
(f)	Other Loans:		
	Subordinated debts	112,547,359	369,125
	Bank	-	-
	Others	-	-

\* Please see Note 1 below

**Assets side :**

(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	Amount Out Standing
(a)	Secured	853,552,742
(b)	Unsecured	65,399,275
(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
(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
    - (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	853,552,742	65,399,275	918,952,017
<b>Total</b>		<b>853,552,742</b>	<b>65,399,275</b>	<b>918,952,017</b>

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

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

Please see note 3 below

Category	Market Value/Break up or fair value or NAV	Book Value (Net of provisions)
1. Related Parties **		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	-	-
Total	-	-

- (7) Other Information :

	<b>Amount outstanding</b>
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	19,251,242
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	14,646,566
Assets acquired in satisfaction of debt	-

Notes :

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

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**  
MD & CEO

**N D Narayanan**  
Chairman

**N D Vijayan**  
Executive Director

**Prasad P**  
VP&Chief Financial Officer

**Rajesh Kumar K Pillai**  
EVP&Company Secretary

## **Yogakshemam Loans Limited**

(Formerly known as Yogakshemam Kuries & Loans Ltd)

### **Cash Flow Statements for the year ended March 31, 2015**

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

Particulars	March 31, 2015	March 31, 2014
<b>A. Cash flow from operating activities</b>		
Net profit (loss) before taxation	(79,738,637)	8,736,832
Depreciation and amortization	17,651,726	6,350,371
(Profit) / loss on sale of fixed assets	87,451	-
Net gain on sale of current investments	(1,419,325)	-
Interest Income - other than operating	(22,637,933)	-
Other Non cash Items	-	4,894,334
<b>Operating profit before working capital changes</b>	<b>(86,056,718)</b>	<b>19,981,537</b>
 <b>Movements in working capital :</b>		
Increase / (decrease) in other current liabilities	(157,932,758)	(42,693,320)
Increase / (decrease) in provisions	(2,755,656)	-
Decrease / (increase) in long-term loans and advances	(153,730,397)	1,546,515
Decrease / (increase) in short-term loans and advances	98,784,411	72,305,596
Decrease / (increase) in other current assets	(29,391,072)	20,112,911
Increase / (decrease) in Other long term liabilities	23,393,916	
Increase / (decrease) in cumulative interest payable	(544,032)	
Decrease / (Increase) in other non current assets	(308,232,306)	71,253,239
Cash generated from / (used in) operations	-	(4,202,082)
Direct taxes paid (net of refunds)		
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(308,232,306)</b>	<b>67,051,157</b>
 <b>B. Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP	(18,681,767)	(8,000,894)
Proceeds from disposal of fixed assets	57,416	
Profit from mutual funds	1,419,325	
Net Redemption / maturity of bank fixed deposits	22,637,933	
Interest received - other than operating		
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>5,432,907</b>	<b>(8,000,894)</b>
 <b>C. Cash flows from financing activities</b>		
Proceeds from issuance of equity share capital	89,653,420	16,791,450
Net increase / (Decrease) in NCD (private placement)	128,668,000	(133,964,300)
Application Money Received / (Repaid)	154,422,015	(30,454,000)
Net (repayment)/increase of Inter Corporate Deposits	(95,458,733)	103,358,824
Net Increase in Subordinated Debt	80,990,000	2,944,405
Increase decrease in other loans	-	170,000,000
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>358,274,702</b>	<b>128,676,379</b>

<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>55,475,304</b>	<b>187,726,642</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>265,457,128</b>	<b>77,730,486</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>320,932,432</b>	<b>265,457,128</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	11,880,048	14,943,919
With banks		
- in current account	24,421,369	28,620,066
- in deposit account	130,208,999	221,893,143
- Share Application money against Rights Issue	154,422,015	-
<b>Total cash and cash equivalents (note 13)</b>	<b><u>320,932,431</u></b>	<b><u>265,457,128</u></b>

Previous year figures are regrouped or rearranged wherever necessary

As per my report of even date

For and on behalf of the board of directors

**C.S Narayanan Namboodiri**  
Chartered Accountant  
Membership no. 201525

**I Unnikrishnan**  
MD & CEO

**N D Narayanan**  
Chairman

**N D Vijayan**  
Executive Director

**Prasad P**  
VP&Chief Financial Officer

**Rajesh Kumar K Pillai**  
EVP&Company Secretary

Place: Thrissur  
Date : May 30, 2015

Place: Thrissur  
Date : May 30, 2015

## GENERAL INFORMATION

Registered Office	Yogakshemam Apartments, Kallingal Lane Thiruvambady, Thrissur, Kerala - 680 022 Mail- mail@yogloans.com website; www.yogakshemam loans.com
Auditors	C S Narayanan Namboodiri Chartered Accountants, Brahmaswam Madom Building M.G. Road, Thrissur - 680 001
Bankers to the company	Dhanalaxmi Bank Ltd., Federal Bank Ltd., Indian Bank Axis Bank Ltd., State Bank of Travancore State Bank of India HDFC Bank Ltd.,
Registrar and Share Transfer Agent	SKDC Consultants Limited Kanapathy Towers, Sathy Road Ganapathy, Coimbatore - 641 006 Ph : 0422 2539835 Mail : info@skdc-consultants.com
Trustees for debenture holders	Mr.K.K Vijayakumar, Advocate, TC49/500 Family Court Building Karshaka Nagar, Ground Ayyanthole, Thrissur- 680 003
Investors Contact	The Company Secretary, Yogakshemam Apartments, Kallingal Lane Thiruvambady, Thrissur, Kerala - 680 022 Ph. 0487 2338984,2335719, Mail : mail.invest@yogloans.com Mail : cs@yogloans.com



