

VIRUTCHAM

MICROFINANCE LIMITED

(RBI COR No. N-07-00779, CIN: U65929TN2008PLC068502)

12TH ANNUAL REPORT 2019-20

Registered Office:

No. C50, 1 st Floor, Gurudev Nagar, Avaniyapuram Bypass Road, Madurai - 625012. Tamil Nadu, India. Ph.No.0452-2092109

Email: vml@virutcham.org

Website: www.virutcham.org

BOARD OF DIRECTOR'S



Mr. Dev Asokan., B.E., M.I.E., Promoter and Chairman



Mr. S. Charles Selvaraj., B.Phil., M.Com. M.B.A., A.I.C.W.A.,
Promoter, Managing Director & Chief Executive Officer



Mr. R.P Joshua, B.A., C.A.I.I.B.,
Non Executive Director



Dr. Alex Francisco Nicholas M.D.,
Non Executive Director



Mr. Antony Cruz M.A., B.TH., DSD (CANADA) Non Executive Independent Director

WE AIM AT

Having 400 branches in all over India and abroad with a portfolio size of Rs. 1,000 crores and a client base of 5.00 lakhs by March, 2025 and shall become a Bank.

MISSION

status of the people in economic backwardness across India and Abroad.

AUDITORS

M/S. ANBALAGAN & CO., TRICHY

VISION

Act as a catalyst to provide the best financial services to improve the social and economic status of the people.

OBJECTIVES

To provide appropriate financial products and other The main object of the company is to carry on the service of support services to improve the social and economic providing financial support to the poor women enabling them to venture into micro enterprise activities to improve their standard of living.

CONSULTANTS

- MR. MARIA PAULIAN GASPAR RAJ
- MR. A. JOHN MORIS , CA
- MR. BALASUBRAMANIAN, ACS

EXECUTIVES

- ❖ MR. S. CHARLES SELVARAJ, B.Phil., M.COM., MBA., AICWA
- MR. P. STEPHEN, MBA., M.Com., B.Ed., DMF
- MR. C. BARATHA KRISHNAN, M.Sc., CAIIB
- ❖ MR. R. KANAGAVEL B.Com
- MRS. SHARMA KIRTI, ACS

- MANAGING DIRECTOR & CEO
- GENERAL MANAGER
- CHIEF ADMINISTRATIVE MANAGER
- AUDIT & RISK MANAGER
- COMPANY SECRETARY

STAFF TEAM APART FROM EXECUTIVES

*	FIELD OFFICERS	- 93	*	MANAGER HR	- 1
*	CREDIT OFFICERS	- 18	*	OPERATIONS MANAGER	- 1
*	BRANCH MANAGERS	- 16	*	RECOVERY OFFICER	- 1
*	ASST BRANCH MANAGERS	- 3	*	ACCOUNTANT	- 3
*	AREA MANAGERS	- 3	*	FILE CHECKING	- 2
*	AUDIT MANAGERS	- 3	*	DATA ENTRY	- 2
*	MANAGER ACCOUNTS	- 1	*	TELE CALL	- 3
*	MANAGER FUND	- 1	*	NEFT/INSURANCE	- 1
*	MANAGER IT	- 1	*	OFFICE ASSISTANT	- 1

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FROM THE DESK OF MANAGING DIRECTOR

Dear Virutcham Share Owners,

It's my pleasure to meet you all through the 12th Annual Report. 2019-2020 has been yet another successful year for Virutcham. Our Company had seen phenomenal growth in the year achieving various mile stones.

- ❖ Our portfolio has increased by almost INR 10 crores while our on time recovery stands over 99%.
- Our client base has crossed the 32,000 mark this year.
- ❖ We have opened 7 branches this year with our base spreading to Kerala and Puducherry with a total branch count of 18.



Our ambition is "One Family, One Woman Entrepreneur".

To empower a woman is to empower a nation. Our collective vision will impact our society's destiny. We are proud owners of a company that uses finance as a positive tool for the ultimate benefit of society. We are moving our vision and company in a good direction. These results thus far, encourage us to keep working hard and smart to reach our goal.

The loan disbursement stood at Rs. 204.35 crores cumulative as on 31st March 2020. The total own portfolio outstanding was of Rs. 60.82 crores, as at 31st March 2020.

We are focusing on our vision to go pan India with around 400 branches with a portfolio size of Rs.1000 crores and with a client base of over 5 lakhs by March, 2025 and become a small finance bank.

I convey my gratitude to all of you, for your overwhelming response to the Bonus Issue.

I would like to thank our employees for their commitment. It is their hard work and their dedication to the Company that has enabled us to deliver such ambitious results. I would also like to thank you, our shareholders, for your support. Your commitment is a sign of your appreciation and trust. We will do everything within our power to ensure that Virutcham Microfinance Limited remains an attractive investment for you.

During these testing times of the COVID pandemic, our Company has been contributing as much as possible to the social and financial well-being of all our stakeholders. I am sure we will all emerge from this pandemic and continue successfully in our endeavors.

(S. Charles Selvaraj) Managing Director & CEO

BOARD REPORT TO THE SHAREHOLDERS

NOTICE TO MEMBERS

Date: 31-08-2020

Notice is hereby given that the **TWELFTH ANNUAL GENERAL MEETING** of **M/S VIRUTCHAM MICRO FINANCE LIMITED** will be held on Friday the 25th of September, 2020, at 11.00 AM at the registered office of the company at No.C50, Gurudev Nagar, Avaniapuram Bypass Road, Madurai - 625012 to transact the following business:

ORDINARY BUSINESS:

1. ADOPTION OF ACCOUNTS

To consider and adopt the Audited Balance Sheet, Statement of Profit &Loss Account and Cash Flow Statements as at 31.03.20 and the reports of the Directors and Auditors thereon.

If approved with or without modification, the following resolution will be passed as ordinary resolution.

RESOLVED to approve and adopt the Audited Balance Sheet and Statement of profit and loss for the financial year 2019-20 along with Directors Report and Auditors Report of the company.

2. TO TAKE NOTE OF THE APPOINTMENT OF AUDITORS

M/S. Anbalagan & CO, being a firm, according to Sec.139 (2) (b), is eligible for appointment for two consecutive term of 5 years. The Firm has completed the first term of five years by the financial year 2016– '17. The second term of five years shall end by the financial year 2021 – '22 and shall be in office until the 14th Annual General Meeting.

3. APPOINTMENT OF DIRECTORS:

To appoint Mr. R.P. Joshua (DIN 000455890), who retires by rotation and being eligible, offers himself for reappointment as a Director

(To consider and if thought fit pass the following resolution as ordinary resolution with or without modifications)

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. R.P. Joshua (DIN000455890), who retires by rotation at this meeting and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

4. CONFIRMING BORROWING POWERS:

TO APPROVE BORROWING IN EXCESS OF PAID UP CAPITAL AND FREE RESERVES.

(To consider and if thought fit pass the following resolution as special resolution with or without modifications)

Resolved to approve borrowings from Banks and Financial Institutions, Social Organizations, Government and quasi Government organizations, PE investors up to 10 times of the net owned funds of the company with or without security for the business purposes.

5. TO CONSIDER THE ISSUE OF BONUS EQUITY SHARES

(To consider and if thought fit pass the following resolution as special resolution with or without modifications)

"RESOLVED THAT in pursuance of Section 63 of the Companies Act, 2013 read with The Companies (Share Capital and Debenture) Rules, 2014 and on the recommendation of the Board, the approval of the members be and is hereby accorded to the Company to capitalize a sum of Rs.3,00,48,670/- out of Rs.3,48,18,970/- standing to the credit of Securities Premium Account / Free reserves and to apply this sum of Rs.3,00,48,670/- for paying in full at par 30,04,867 equity shares of Rs.10/- each in the capital of the company to be allotted and distributed as fully paid bonus shares to the holders of equity shares of Rs.12,01,94,680/- each in the Company, whose names appear in the Register of Members of the Company on the date of allotment, in the ratio of 4:1 i.e., 1(one) share of Rs.10/- for every 4 (four) equity shares held and that such new equity Shares so issued shall upon allotment have the same rights of voting as the existing equity shares and be treated for all other purposes pari-passu with the existing equity shares of the Company and that the equity shares so allotted during the financial year shall be entitled to dividend, if any, proportionately in the year of the allotment of these shares.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all steps to implement the above resolutions, finalize and take all actions in connections with the bonus issue and allotment of shares to the members and others where applicable".

6. TO APPROVE THE APPOINTMENT OF CHIEF FINANCIAL OFFICER

(To consider and if thought fit pass the following resolution as special resolution with or without modifications)

"RESOLVED THAT pursuant to the provisions of section, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of the Central Government and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications as may be imposed or prescribed by any other authority in granting such approvals, permissions and sanctions, consent of the Company be and is hereby accorded to the appointment of Mr. C. Baratha Krishnan as Chief Financial Officer of the Company and to hold office for a term up to five consecutive years upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this Resolution and or to make modification as may be deemed to be in the best interest of the Company."

By order of Board,

For VIRUTCHAM MICROFINANCE LIMITED

Place: Madurai Date: 31st Aug 2020 (S. Charles Selvaraj) Managing Director

NOTES:

- 1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Provided that a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. A blank proxy form is enclosed to this notice as **Annexure-A**.
- 2. Corporate members intending to send their authorized representatives to attend the annual general meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the annual general meeting.
- 3. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Businesses to be transacted at the annual general meeting is annexed hereto.
- 4. In case of joint holders attending the annual general meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 5. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including annual report, notices, circulars, etc. from the Company electronically.
- 6. Quorum of the annual general meeting shall be in accordance with Section 103 of the Companies Act, 2013.
- 7. The Member/Proxies should bring their proxy form and attendance slip, sent herewith, and duly filled in, for attending the meeting as mentioned in **Annexure A** and **Annexure B** of this notice.
- 8. In terms of the requirements of the Secretarial Standards -2 on "General Meetings" issued by the Institute of the Company Secretaries of India and approved & notified by the Central Government, Route Map for the location of the aforesaid meeting is enclosed as **Annexure C**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

4. Confirming Borrowing Powers:

The company being a Micro Finance Institution has to borrow from multiple Banks / Financial Institutions and other form of entities for on lending to its customers. Sufficient borrowing powers are required to proceed to approach various Banks and Financial Institutions. As the company is in growth trend and as new stakeholders are coming in, confirmation of borrowing power is sought. None of the directors is interested in this proposal.

5. To Consider the Issue of Bonus Equity Shares

The Board of Directors recommended to capitalize a sum of Rs.3,00,48,670/- out of Rs.3,48,18,970/- standing to the credit of Securities Premium Account / free reserves and to apply this sum of Rs.3,00,48,670/- for paying in full at par 30,04,867 equity shares of Rs.10/- each in the capital of the company in the ratio of 4:1 i.e., 1 (one) share of Rs.10/- for every 4 (four) equity shares held by members.

Now, consent of the members is required for issue of Bonus Shares. Accordingly, the Members are requested to consider the special resolutions favorably.

The Board recommends the Resolution set out in the Notice for the approval of the Members. None of the Directors, Manager, other key managerial personnel and relatives of the same are concerned or interested in the passing of this Resolution.

6. To appoint Mr. C. Baratha Krishnan as Chief Financial Officer:

The Board of Directors of the Company, at its meeting held on 31st August, 2020, resolved to appoint Mr. C. Baratha Krishnan as Key Managerial Personnel under Section 203 of the Companies Act, 2013. It is proposed to seek the members' approval for the appointment of and remuneration payable to Mr. C. Baratha Krishnan Chief Financial Officer, in terms of the applicable provisions of the Act. The requisite information stipulated under Schedule V is furnished hereunder:

- 1. Tenure of Agreement For a period of 5 years w.e.f. 25th September, 2020.
- 2. Salary, Allowances and Commission (hereinafter referred to as "Remuneration"):
 Basic Salary: Rs.50, 000/- per month. Mr. C. Baratha Krishnan may be given other allowances & expenses including expenses incurred for business of the Company and such other perquisites and allowances in accordance with the rules of the Company.
- 3. Minimum Remuneration: Notwithstanding anything herein contained, where in any financial year during the period of his office as CFO, subject to the requisite approvals.
- 4. Nature of Duties:
 - a. Providing leadership, direction and management of the finance and accounting team
 - b. Providing strategic recommendations to the CEO/president and members of the executive management team
 - c. Managing the processes for financial forecasting and budgets, and overseeing the preparation of all financial reporting.
 - d. Advising on long-term business and financial planning Establishing and developing relations with senior management and external partners and stakeholders.
 - e. Reviewing all formal finance, HR and IT related procedures

The Board recommends the Resolution set out in the Notice for the approval of the Members.

None of the Directors, Manager, other key managerial personnel and relatives of the same are concerned or interested in the passing of this Resolution except Mr. C. Baratha Krishan.

By order of Board,

For VIRUTCHAM MICROFINANCE LIMITED

Place: Madurai (S. Charles Selvaraj)
Date: 31st Aug 2020 Managing Director

DIRECTORS REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their Annual Report on the business and operation of the Company and the accounts for the financial year ended 31st March 2020

FINANCIAL RESULTS

Particulars	For the Financial Year ended 31st March, 2020 (Amount in Rs.)	For the Financial Year ended 31st March, 2019 (Amount in Rs.)
Gross Revenue	15,19,99,023	9,31,51,330
Profit Before Tax	1,63,58,995	61,91,384
Profit After Tax	1,22,04,213	46,50,470
Transfer to Statutory Reserves	24,40,843	9,30,094
Balance carried forward to General Reserve	97,63,370	37,20,377

DIVIDEND

The company has not declared dividend for the financial year ended 31st March, 2020.

RESERVES

Depreciation transferred to General Reserve.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of the business of the company

MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

As the company's turnover is Rs.15.20 crore, which is less than the prescribed limit of Rs.50 crores is exempted in respect of internal financial controls report. However, The Board and the Audit Committee have been reviewing the Internal Financial Controls and there were no reportable material weakness or significant deficiencies in the internal financial controls.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

As on 31-March-2020, the Company does not have any subsidiary/Joint Ventures/Associate Companies.

STATUTORY AUDITORS

M/s. Anbalagan & Co, (FRN-011394S) Chartered Accountants, being a firm, according to sec.139 (2) (b), is eligible for appointment for two consecutive term of 5 years. The Firm has completed the first five years by the financial years 2016-17. M/s. Anbalagan & Co has been reappointed. The second term of five years shall en by the financial year 2012-22 and shall be in office until 14th Annual Meeting.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORT

There were no comments on qualifications, reservations or adverse remarks made by the Statutory Auditors and the Company Secretary in their reports.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2020 was Rs.12,01,94,680/ (divided into 1,20,19,468 Equity shares of Rs.10/- each) During the year under review, the company has issued 4,00,000 equity shares of Rs.10/- each under rights issue and another 26,19, 468 equity shares of Rs.10/- each with premium of Rs.2.80 on private placement basis.

The Company has

- a. Not issued any equity shares with differential rights during the financial year.
- b. Not issued any sweat equity shares during the financial year.
- c. Not issued any employee stock options during the year.
- d. Not advanced any money/loan to any person to purchase its own shares.

EXTRACT OF THE ANNUAL RETURN

The extracts of the Annual Return in Form No.MGT – 9, pursuant to the provisions of section 92(3) read with rule 12(1) of the companies (Management and Administration) Rules, 2014 may be accessed at the company's website at the link <code>http://virutcham.org/MGT_9.php</code>

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, EXPORTS AND FOREIGN EXCHANGE EARNING AND OUTGO

The information relating to conservation of energy, technology, absorption and foreign exchange earnings and outgo as required under Section 134 (3) of the Companies Act, 2013 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988, are not applicable for the year ended 31st March, 2020. The company has not taken substantial steps in this direction.

BUSINESS RISK MANAGEMENT POLICY:

Board has formulated and implemented risk management policy for the Company which enables identification of elements of risk, which may threaten the existence of the company. Procedures have been put in place to mitigate the risks pertained to the microfinance industry.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Though Corporate Social Responsibility provisions are not applicable to the Company, it has spent money on CSR activities. The company provided relief materials to the victims of flood affected areas in Kerala during the financial year 2019-'20.

DIRECTORS

The following are the Directors of the Company: Mr. Devesahayam Asokan, Mr. Soosai Charles Selvaraj, Mr. Rayans Pillai Joshua, Mr. Alex Francisco Nicholas and Mr. A Cruz Antony,

A) Changes in Directors and Key Managerial Personnel

Mr. R.P. Joshua (DIN 000455890), who retires by rotation and being eligible, offers himself for reappointment as a Director. There are no changes in the Directors and Key Managerial Personnel.

B) Declaration by an Independent Director(s) and Re- appointment, if any:

In accordance with section 149 (7) of the companies Act 2013, Mr. Antony Cruz Independent Director has given a written declaration to the company confirming that they meet the criteria of the independence as mentioned under the Act.

C) Formal Annual Evaluation

Not Applicable to the company, it has not reached the prescribed threshold of share capital.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year 2019 - 20, 6 **Board Meetings** were held, details of which are as follows:

S. No.	Date of the Meeting	Strength of the Board Meeting.	Attendance at the Board Meeting
1.	30 th May, 2019	05	04
2.	24 th June, 2019	05	02
3.	19th August, 2019	05	05
4.	23 rd September, 2019	05	04
5.	09th December, 2019	05	04
6.	10 th March, 2020	05	04

S. No.	Names of the Directors	Position/Category	No. of other Directorship
1.	Mr. Devesahayam Asokan	Chairman - Non Executive Director	01
2.	Mr. Soosai Charles Selvaraj	Managing Director	00
3.	Mr.Rayans Pillai Joshua,	Non Executive Director	01
4.	Mr.Alex Francisco Nicholas,	Non Executive Director	00
5.	Mr.Antony Rayappan A Cruz Antony	Independent Director	01

AUDIT COMMITTEE

The Audit Committee met 4 times during the year. The composition of an Audit Committee is given in the table.

S. No.	Name of the Director	Position/Category
1.	Mr.Rayans Pillai Joshua,	Chairman of Audit Committee
2.	Mr. Devesahayam Asokan	Member
3.	Mr.Antony Rayappan A Cruz Antony	Member

NOMINATION AND REMUNERATION COMMITTEE

Nomination and remuneration committee is applicable for the companies having a paid-up capital of Rs.100 crores or more. Though the company does not fall under that criterion, the company has constituted Nomination and Remuneration Committee. The Committee has 3 directors as members and chaired by a Non Executive Director. The company reviews the appointment of new directors and key personal, remuneration payable to them etc., and gives its recommendation to the Board of Directors

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The company's borrowings has not exceeded the prescribed limit of Rs.50 crores hence the establishment of vigil mechanism for directors and employees is not applicable. However, the Operations Manual of the Company clearly spells out the Vigil Mechanisms for its employees.

LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The Company does not made any Related Party Transactions made during the year

MANAGERIAL REMUNERATION:

- A) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
 - Since it is not a listed company it is not applicable.
- (B) Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
 - Remuneration of the Employees of the Company is well below the threshold of amount required to be disclosed in the report.
- C) Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report.
 - None of the directors have entered into any such transactions so as to be reported.
- D) The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement:-
 - 1. All elements of remuneration package such as salary, benefits, bonuse, stock options, pension, etc., of all the directors;
 - 2. Service contracts, notice period, severance fees;
 - 3. Stock option details, of any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable; NIL

SECRETARIAL AUDIT REPORT

The company does not have the prescribed paid-up capital limit of Rs.50 crores or more therefore secretarial audit report is not applicable to the company.

CORPORATE GOVERNANCE CERTIFICATE

Since the company is not a listed company corporate governance certificate is not applicable

FRAUD REPORTING

There have been no complaints received and there are no instances of material frauds reported.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a stringent policy and formed internal Complaints Committee for prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 and the Rules there under.

There have been no complaints received by the company.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) read with Section 134 (5) of the Companies Act 2013, your Directors confirm that:

- 1. In the preparation of the annual accounts for the year ended 31st March 2020, the applicable accounting standards had been followed.
- 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 financial year and of the profit or loss of the company for that period.
- 3. 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.
- 4. The annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude for the continuing support of its employees, shareholders, Bankers and Business Associates at all levels.

For and behalf of the Board of Directors

For Virutcham Microfinance Limited

Place: Madurai Managing Director Chairman

Date: 25-09-2020 (DIN-0007640803) (DIN-07031456)

FUNDING PARTNERS















































REPORTS ON OPERTAIONS

Operations of the company have just doubled during the year, over the operations in previous year (2018-2019). Productivity has also significantly increased over the previous year Data given below in the table shows the business growth trend of the company over the last 5 Years.

PARTICULARS	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20
NUMBER OF BRANCHES	6	6	9	11	18
NUMBER OF STAFF MEMBERS	16	30	74	92	159
NUMBER OF FIELD STAFF	13	15	36	48	90
NUMBER OF CENTERS / GROUPS	736	634	1,299	2,835	3,848
NUMBER OF ACTIVE CLIENTS	5,474	4,603	12,055	24168	31,726
PRINCIPAL OUTSTANDING (Rs. IN LAKHS)	719.3	920.27	2,753.54	5,167.08	6,081.58
LOAN DI	SBURSEMEN	NT DETAILS			
DISBURSED LOAN ACCOUNTS	526	362	1,087	2,305	2,573
NUMBER OF CLIENTS	3,321	3,001	10,089	19525	20,423
DISBURSED LOAN AMOUNT (Rs. IN LAKHS)	893	933.41	3,052.90	5764.85	6,630.94
CUMULATIVE LOAN ACCOUNTS	2,461	2,823	3,910	6,215	8,788
CUMULATIVE LOAN MEMBERS	27,940	30,941	41,030	60,555	80,978
CUMULATIVE LOAN AMOUNT(Rs. IN LAKHS)	4,253.67	5,187.08	8,239.98	14,004.83	20,635.77
	PRODUCTIV	ITY			
AVERAGE ACTIVE CLIENTS PER BRANCH	912	767	1,339	2,197	1,763
AVERAGE ACTIVE CLIENTS PER FIELD STAFF	421	307	335	503.50	352.51
AVERAGE LOAN DISBURSEMENT PER BRANCH (Rs.IN LAKHS)	148.83	155.57	339.21	524.08	368.39
AVERAGE LOAN DISBURSEMENT PER FIELD STAFF (Rs.IN LAKHS)	68.69	62.23	84.8	120.10	73.68
AVERAGE LOAN OUTSTANDING PER BRANCH(Rs.IN LAKHS)	119.88	153.38	305.95	469.73	337.87
AVERAGE LOAN OUTSTANDING PER FIELD STAFF (Rs.IN LAKHS)	55.33	61.35	76.49	107.65	67.57
AVERAGE LOAN DISBURSEMENT PER CLIENT (Rs.IN LAKHS)	0.27	0.31	0.30	0.30	0.32

BRANCHWISE PORTFOLIO OUTSTANDING AS ON 31st MARCH 2020

The company is in operational in two states and a Union Territory namely Tamil Nadu, Kerala and Puducherry. We have covered 20 districts. We are having one of the best operational processes guided by the Operational Manual. Selection of clients is done by door step verification of residential stability, proximity to the centre, repayment capacity etc., and eliciting credit history from Credit Bureau Report.

The following table gives the details of loan disbursement, active centers, active clients, Principal Outstanding (POS) against each branch. There has been increase in Portfolio from Rs. 51.67 crores in 31st March, 2019 to Rs.60.82 Crores by 31st March, 2020.

S.No	BRANCH NAME	# CENTERS	# ACTIVE CLIENTS	% OF ACTIVE CLIENTS	Loan Amount Disbursement 2019-20	POS AS ON 31.03.2020 (RS.)	% OF BRANCH POS TO TOTAL POS
1	Porur	274	2293	7.42%	3,38,00,000	3,12,82,076	5.14%
2	Jayankondam	337	2890	9.65%	7,23,20,000	7,50,28,071	12.34%
3	Sathankulam	189	1369	4.55%	3,03,27,000	3,13,30,003	5.15%
4	Madurai	276	1939	6.51%	3,04,05,500	3,61,53,299	5.94%
5	Pudukottai	237	1882	6.20%	3,57,27,500	3,26,96,409	5.38%
6	Tirunelveli	243	1926	6.43%	3,48,90,000	3,85,51,591	6.34%
7	Urapakkam	319	2484	8.60%	5,24,15,000	4,90,77,201	8.07%
8	Parasalai	302	2227	7.97%	4,51,32,000	4,29,28,535	7.06%
9	Kavalkinaru	123	931	3.02%	1,89,45,000	1,65,98,097	2.73%
10	Tiruvallur	288	2071	6.92%	4,03,17,000	3,45,60,453	5.68%
11	Thiruvananthapuram	368	2776	9.13%	4,48,30,000	4,19,02,940	6.89%
12	Ochira	137	1138	3.59%	3,38,80,000	2,53,26,335	4.16%
13	Mahe	195	1661	5.26%	4,99,40,000	4,03,19,211	6.63%
14	Chidambaram	162	1395	4.40%	4,24,90,000	3,20,01,838	5.26%
15	Pennadam	133	1120	3.53%	3,35,90,000	2,55,83,100	4.21%
16	Arakkonam	62	516	1.63%	1,54,50,000	1,28,59,591	2.11%
17	Thuckalay	153	1213	3.98%	3,71,45,000	3,12,07,979	5.13%
18	Perundurai	50	383	1.21%	1,14,90,000	1,07,50,955	1.77%
	TOTAL	3,848	30,214	100%	66,30,94,000	60,81,57,684	100.00%

SECTOR WISE UTILIZATION OF LOAN

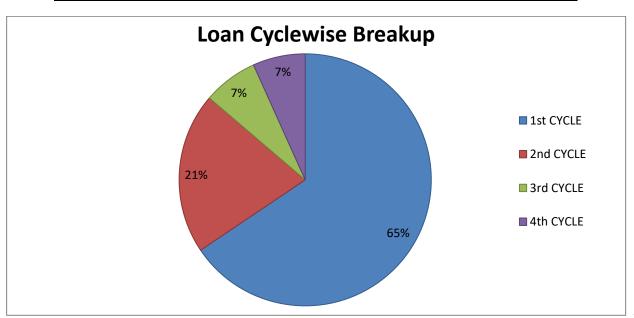
The below table give the details of sector wise utilization of loan funds by our clients.

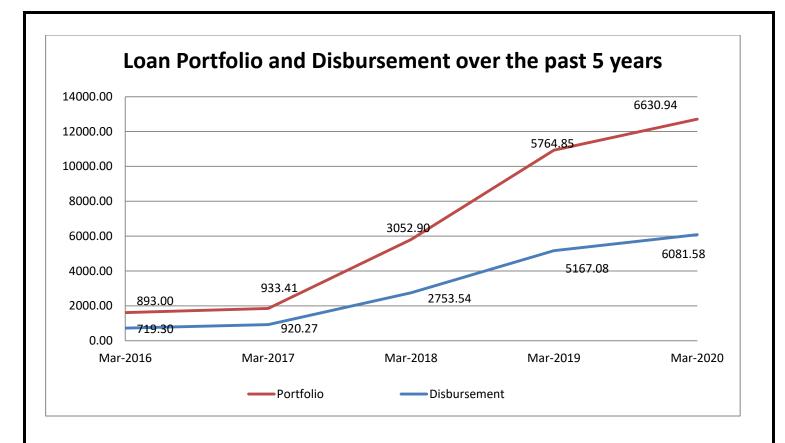
Loan Utilization	POS (Rs.)	Percentage to Total Portfolio
Service related activities	34,83,66,063	57.20%
Agriculture and allied activities	24,44,55,494	40.00%
Trading related activities	1,16,61,416	1.92%
Production related activities	25,50,013	0.42%
Others	1,12,46,98	0.18%
Total	60,81,57,684	100%

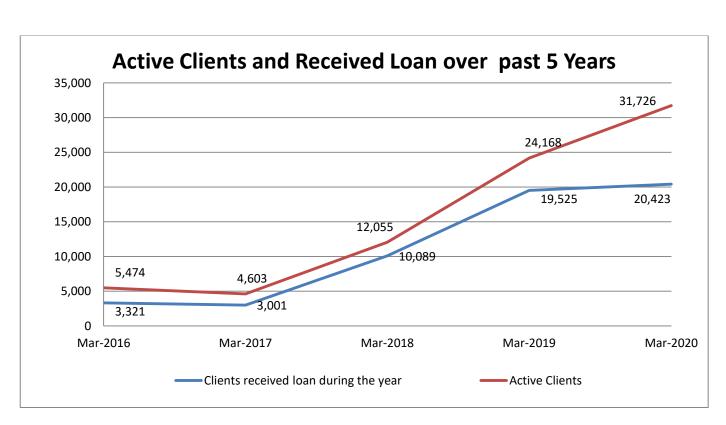
LOAN CYCLE WISE PORTFOLIO BREAK UP

Almost 65.56% of our loan portfolio is pertained to the 1st cycle. 20.67% of the clients with us for more than 2 Years and have obtained loans up to 4th Cycle.

LOAN CYCLE	POS (RS.)	% TO TOTAL PORTFOLIO
1st CYCLE	39,87,25,601	65.56%
2nd CYCLE	12,57,84,151	20.67%
3rd CYCLE	4,26,90,694	07.02%
4th CYCLE	4,09,57,238	06.73%
TOTAL	60,81,57,684	100.00%



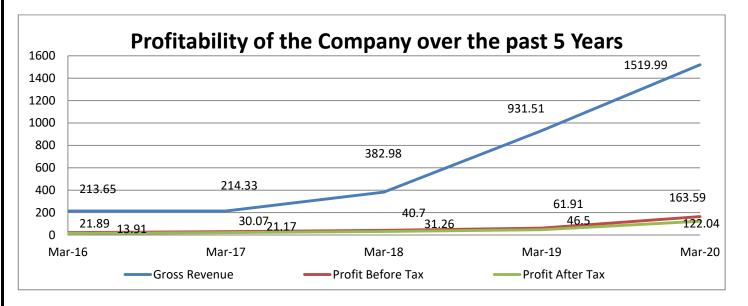




PROFITABILITY

The Company is taking all the efforts to minimize the cost of funds and increase the profitability.

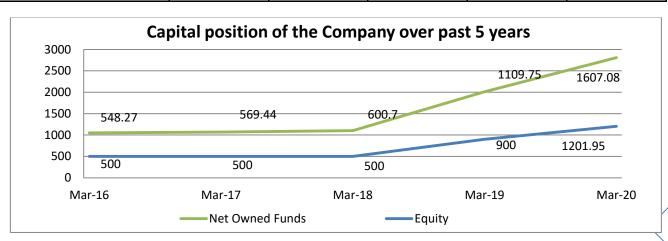
Profitability	Mar- 2016	Mar- 2017	Mar- 2018	Mar- 2019	Mar- 2020
Gross Revenue	213.65	214.33	382.98	931.51	1519.99
Profit Before Tax	21.89	30.07	40.7	61.91	163.59
Profit After Tax	13.91	21.17	31.26	46.5	122.04



CAPITAL

The table below and the line chart show the equity, general reserve and overall net owned funds of the company over the past 5 years. We were able to infuse fresh equity capital of Rs.3.02 crores and share premium money of 73 lakhs during the year.

Capital	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20
Equity	500.00	500.00	500.00	900.00	1201.95
Net Owned Funds	548.27	569.44	600.70	1109.75	1607.08



GRADING AND RATING

IRR awarded grading of 'MFI 2' indicates very good operational and financial performance.

ACUITE has awarded rating of 'ACUITE BB+'. The outlook is 'Stable'



Press Release

Virutcham Microfinance Limited

March 18, 2020

Rating Reaffirmed



Total Bank Facilities Rated	Rs. 5.00 crore
Long Term Rating	ACUITE BB+/ Stable (Reaffirmed)

Rating Rationale

Acuité has reaffirmed the long term rating of 'ACUITE BB+' (read as ACUITE double B plus) to the Rs. 5.00 crore bank facilities of Virutcham Microfinance Limited (VMFL). The outlook is 'Stable'.

About VML

Incorporated in 2008, Virutcham Microfinance Limited (VMFL) is a Tamil Nadu based NBFC-MFI engaged in microfinance activity by way of extending credit to Joint liability groups. VMFL initially started out as Non-Deposit accepting NBFC and was later re-classified as NBFC-MFI in 2014. The company is promoted by Mr. Charles Selvaraj and operates in three states, namely, Tamil Nadu, Kerala and Puducherry with a network of 18 branches as on December 31, 2019. It has lent to around 3,699 JLG (Joint Liability Groups) and has a borrower base of 31,520 borrowers as on December 31, 2019.

IRR Advisory

This is to certify that

Virutcham Microfinance Limited

has been assigned an MFI Grading of

IRR MFI 2

This grading indicates Very Good Operational And Financial Performance.

CIN: U65929TN2008PLC068502 Location: Madurai Entity Type: NBFC - MFI

This Grading is valid from Sep 09, 2020 to Sep 08, 2021



Bhaskar Som Country Head IRR Advisory Services Private Limited A Fitch Group Company

INDEPENDENT AUDITOR'S REPORT

M/s. ANBALAGAN & CO.,

CHARTERED ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Opinion

To the Members of "M/s. VIRUTCHAM MICROFINANCE LTD.".

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of M/s. VIRUTCHAM MICROFINANCE LTD. ("the Company") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2020, and profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable as Annexure A to this report.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- a. 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.
- b. The Company does not have the any branches Audited by any other auditor.
- c. The Balance Sheet, the Statement of Profit and Loss, and the 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 the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For ANBALAGAN & CO.,

Chartered Accountants

FRN: 011394 S

Place: Madurai

Date: 31/08/2020

CA N ANBALAGAN

Proprietor M.No.: 019503

N.ANBALAGAN, B.A., F.C.A., Chartered Accountants

Chartered Accountants
FR No:011394S
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Woralyur,Trichy - 620 003. ph:0431 - 2767084 Cell:93602 15739/95855 33617

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ANNEXURE-'A' TO THE AUDITORS' REPORT

REPORT OF THE AUDITOR TO THE MEMBERS IN ACCORDANCE WITH THE

COMPANIES (AUDITORS' REPORT) ORDER 2016

1. (a)The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b)As explained to us, fixed assets are physically verified by the management at reasonable intervals, which, in our opinion, is reasonable looking to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.

(c)According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company does not hold any title deeds of immovable properties.

- 2. The Company being an Non-Banking Finance Company it does not hold any inventory, hence this clause is not applicable.
- 3. According to the information and explanations given to us and on the basis of our examination of the books of account, it was observed that the Company has granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii(a) relating to receipt of principal amount and interest, and iii(b) relating to overdue amount, of the order are not applicable to the Company.
- 4. According to the information and explanations given to us and on the basis of our examination of the books of account, it was observed that the Company has neither granted any loans to the Directors nor any investments were made by the Company. Hence, the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.

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- 5. During the year the Company has not accepted any deposits from non-members. As such the compliance with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013 and rules framed there under are not applicable.
- 6. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for any of the activities of the Company.
- 7. (a) According to the records, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Investor Education and Protection Funds, Provident Funds, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other applicable statutory dues during the year.
 - (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax and service tax, Goods and Service tax, which have not been deposited on account of any disputes.
- 8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- 9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans were obtained by the Company was applied for the purpose it was raised for.
- 10. Based on the audit procedures performed and the information and explanations given to us, there have been no frauds reported during the period under review. However, the company was following up cases involved in frauds which took place in the earlier years and the progress is being monitored closely.

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- 11. According to the information and explanations given to us and based on our examination of the records of the Company, matters relating to limits on managerial remuneration are not applicable, since the Company is a private limited company and is exempted from the provisions of section 197.
- 12. The Company is not a chit fund or a Nidhi /mutual benefit fund/society. Accordingly, this paragraph of the Order is not applicable.
- 13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.
- 14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares as such the requirement of section 42 of the Companies Ac, 2013 have been complied with.
- 15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with any of its directors as is mentioned in Section 192 of the Act.

CHARTERED ACCOUNTANT

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Place: Madurai

Date:31/08/2020

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16. The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly it has been registered bearing certificate of registration number as N-07-00779. The company has surrendered the NBFC-MFI License after the period audited by us.

For ANBALAGAN & CO.,

Chartered Accountants

FRN: 011394 S

Proprietor M.No.: 019503

N.ANBALAGAN, B.A., F.C.A.,

Chartered Accountants
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ANNEXURE-'A' TO THE AUDITORS' REPORT

REPORT OF THE AUDITOR TO THE MEMBERS IN ACCORDANCE WITH THE

COMPANIES (AUDITORS' REPORT) ORDER 2016

- 1. (a)The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b)As explained to us, fixed assets are physically verified by the management at reasonable intervals, which, in our opinion, is reasonable looking to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
 - (c)According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company does not hold any title deeds of immovable properties.
- 2. The Company being an Non-Banking Finance Company it does not hold any inventory, hence this clause is not applicable.
- 3. According to the information and explanations given to us and on the basis of our examination of the books of account, it was observed that the Company has granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii(a) relating to receipt of principal amount and interest, and iii(b) relating to overdue amount, of the order are not applicable to the Company.
- 4. According to the information and explanations given to us and on the basis of our examination of the books of account, it was observed that the Company has neither granted any loans to the Directors nor any investments were made by the Company. Hence, the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.

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- 5. During the year the Company has not accepted any deposits from non-members. As such the compliance with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013 and rules framed there under are not applicable.
- 6. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for any of the activities of the Company.
- 7. (a) According to the records, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Investor Education and Protection Funds, Provident Funds, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other applicable statutory dues during the year.
 - (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax and service tax, Goods and Service tax, which have not been deposited on account of any disputes.
- 8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- 9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans were obtained by the Company was applied for the purpose it was raised for.
- 10. Based on the audit procedures performed and the information and explanations given to us, there have been no frauds reported during the period under review. However, the company was following up cases involved in frauds which took place in the earlier years and the progress is being monitored closely.

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- 11. According to the information and explanations given to us and based on our examination of the records of the Company, matters relating to limits on managerial remuneration are not applicable, since the Company is a private limited company and is exempted from the provisions of section 197.
- 12. The Company is not a chit fund or a Nidhi /mutual benefit fund/society. Accordingly, this paragraph of the Order is not applicable.
- 13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.
- 14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares as such the requirement of section 42 of the Companies Ac, 2013 have been complied with.
- 15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with any of its directors as is mentioned in Section 192 of the Act.

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16. The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly it has been registered bearing certificate of registration number as N-07-00779. The company has surrendered the NBFC-MFI License after the period audited by us.

For ANBALAGAN & CO., Chartered Accountants

FRN: 011394 S

Place: Madurai Date:31/08/2020 CA N ANBALAGAN

Proprietor M.No.: 019503

N.ANBALAGAN, B.A., F.C.A., Chartered Accountants FR No:011394S No:11, Shopping Complex, 2nd Floor, Salai Road, Woraiyur, Trichy - 620 003. Ph:0431 - 2767084 Cell:93602 15739/95855 33617

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ANNEXURE -'B' TO THE AUDITORS' REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of M/s. VIRUTCHAM MICROFINANCE LTD ("the Company") as of 31stMarch 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that,

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



M/s. ANBALAGAN & CO.,

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Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion:

Place: Madurai

Date: 31/08/2020

In our opinion, the Company have an adequate internal financial controls system over financial reporting and internal financial controls over financial reporting as at 31stMarch 2020, as required under the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ANBALAGAN & CO.,

Chartered Accountants

FRN: 011394 S

CA N ANBALAGAN

Proprietor M.No.: 019503

N.ANBALAGAN, B.A., F.C.A.. Chartered Accountants FR No:0113945 No:11, Shopping Complex, 2nd Floor, Salai Road,

35

STATUTORY AUDITOR'S CERTIFICATE (SAC)

M/s. ANBALAGAN & CO.,

CHARTERED ACCOUNTANT

Office :11, Shopping Complex, IInd Floor, Salai Road, Trichy-3.

☎ Off :0431-2767084

93602 15739, 95855 33617

E.mail id: anbalaganandco@gmail.com



STATUTORY AUDITOR'S CERTIFICATE (SAC)

We have examined the books of accounts and other records of **M/s. VIRUTCHAM MICROFINANCE LTD.** for the financial year ending 31stMarch, 2020. On the basis of the information submitted to us, we certify the following:

SI.	Particulars	Details
1.	Name of the company	M/s. VIRUTCHAM MICROFINANCE Limited.
2.	Certificate of Registration No.	N-07-00779
3.	Registered Office address	C50,Gurudev Nagar, Byepass Road Avaniyapuram , Madurai, Tamil Nadu-625012
4.	Corporate Office address	C50,Gurudev Nagar, Byepass Road Avaniyapuram , Madurai, Tamil Nadu-625012
5.	The company has been classified by RBI as: (Investment Company / Loan Company / AFC/ NBFC-MFI, NBFC – Factor / IFC / IDF – NBFC)	NBFC-MFI
6.	Net Owned Fund (in Lakhs)	Rs. 1,597.69
7.	Total assets (in Lakhs)	Rs. 6,684.46
8.	Asset Income Pattern: (in terms of RBI Press Release 1998-99/1269 dated April 8, 1999) a) % of Financial assets (including Bank balances*) to Total assets b) & of Financial income to Gross Income	91.21% 95.41%
9.	Whether the company was holding any Public deposits, as on March 31, 2019	No
10.	Has the company transferred a sum not less than 20% of its Net Profit for the year to Reserve Fund? (in terms of Sec 45-IC of the RBI Act, 1934)	Yes
11.	Has the company received any FDI?	No
12.	If the company is classified as an NBFC – Factor; a) % of Factoring assets to Total assets b) % of Factoring income to Gross income	N/A N/A

M/s. ANBALAGAN & CO.,

CHARTERED ACCOUNTANT

Office:11, Shopping Complex, IInd Floor, Salai Road, Trichy-3.

TO Off:0431-2767084

Place: MADURAI

Date: 31/08/2020

93602 15739, 95855 33617

E.mail id: anbalaganandco@gmail.com



13.	If the company is classified as an NBFC – MFI:	
14.	% of Qualifying assets to Net assets	91.10%
14.	If the company is classified as an AFC; a) % of advances given for creation of physical / real assets supporting economic activity to Total assets. b) % of income generated out of these assets to Total income	N/A
15.	If the company is classified as an NBFC – IFC; % of Infrastructure Loans to Total Assets	N/A
16.	Has there been any takeover / acquisition of control / change in shareholding / Management during the year which required prior approval from RBI?	There was a change in shareholding and induction of one director to the board for which the company has sought permission vide its letter to the RBI.

In terms of paragraph 2 of Notification no. DNBS.201/DG(VL)-2008 dated September 18, 2008, a separate report to the Board of Directors of the Company has been made.

I have read and understood paragraph 5 of Notification No. DNBS.201/DG(VL)-2008 dated September 18, 2008.

For ANBALAGAN & CO

N.ANBALAGAN. CHARTERED ACCOUNTANTS

PROPRIETOR M.No: 019503

UDIN:20019503AAAABG6534

N.ANBALAGAN, B.A., F.C.A..

N.ANDALAGAN, B.A., F.C.A..
Chartered Accountants
FR No:011394S
No:11, Shopping Complex,
2nd Floor, Salai Road,
Woraiyur, Trichy - 620 003.
Ph:0431 - 2767084
Cell:93602 15739/95855 33617

M/s. ANBALAGAN & CO.,

CHARTERED ACCOUNTANT

Office :11, Shopping Complex, IInd Floor, Salai Road, Trichy-3.

☎ Off :0431-2767084

93602 15739, 95855 33617

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Annex

S No.	Capital funds – tier 1	(Rs. in Lakhs
1.	Paid up Equity Capital	1201.95
2.	Pref. shares to be compulsorily converted into	V
	equity	
3.	Free reserves:	
	a. General Reserve	
	b. Statutory / Spl. Reserve U/S 45 IC of RBI Act,	56.94
	c. Share Premium	135.89
	d. Capital Reserves	7 3
	e. Debenture Redemption Reserve	
	f. Capital Redemption Reserve	
	g. Credit Balance in P&L Account	122.04
	h. Other free reserves (may be specified)	90.26
4.	Special Reserves	
	Total of 1 to 4	1607.08
5.	Less:	
	i. Deferred Revenue Expenditure	
	ii. Deferred Tax Assets (Net)	9.39
	iii. Other Intangible Assets	
	Owned Fund	1,597.69
6.	Investment in shares of	
	i. Companies in the same group	
	ii. Subsidiaries	
	iii. Wholly Owned Subsidiaries	
	iv. Other NBFCs	
7.	Book value of debentures, bonds, outstanding loans	
	and advances, bills purchased and is counted	
	(including H.P and lease finance) made to, and	
	deposits with	
	i. Companies in the same group	
	ii. Subsidiaries	
	iii. Wholly Owned Subsidiaries / Joint Ventures	
	abroad	
8.	Total of 6 and 7	
9.	Amount in item 8 in excess of 10% of Owned Fund	
10.	Net Owned Fund	1,597.69



PRICING OF SHARES

M/s. ANBALAGAN & CO.,

CHARTERED ACCOUNTANT

Office :11, Shopping Complex, IInd Floor, Salai Road, Trichy-3.

₢ Off :0431-2767084

93602 15739, 95855 33617

E.mail id : anbalaganandco@gmail.com

UDIN: 20019503AAAABH7275



TO WHOMSOEVER IT MAY CONCERN

This is to certify M/s VIRUTCHAM MICROFINANCE LIMITED, bearing CIN U65929TN2008PLC068502, having registered office at NO:C-50, GURUDEV NAGAR, AVANIYAPURAM BY PASS ROAD, MADURAI - 625012 that the Margin of Cap of the company for the year ended 31st, March, 2020 is 7.763% which is lower of 12% or the average base rate of the five largest commercial banks by assets multiplied by 2.75. This is within the limits prescribed by the Reserve Bank of India.

Detailed workings for the same are enclosed herewith.

For ANBALAGAN & CO

N.ANBALAGAN, CHARTERED ACCOUNTANTS PROPRIETOR M.No: 019503

Date: 31/08/2020 Place: MADURAI

N.ANBALAGAN, B.A., F.C., Chartered Accountants
FR No:0113945
No:11, Shopping Complex,
2nd Floor, Salai Road,
Woraiyur, Trichy - 620 003.
Ph:0431 - 2767084
Cell:93602 15739/95855 33617

M/s. ANBALAGAN & CO.,

CHARTERED ACCOUNTANT

Office :11, Shopping Complex, IInd Floor, Salai Road, Trichy-3.

☎ Off :0431-2767084

93602 15739, 95855 33617

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	Own Loan Portfolio -	Own Loan Portfolio -			
Particulars	Opening Portfolio	Closing Portfolio	Average Portfolio	Interest Income	Yield per month
Jan-20	586,790,971.24	580,891,807.24	583,841,389.24	11,430,923.42	1.96%
Feb-20	580,891,807.24	625,195,362.66	603,043,584.95	11,430,923.42	1.90%
Mar-20	625,195,362.66	608,157,684.06	616,676,523.36	11,430,923.42	1.85%
Total	1,792,878,141.14	1,814,244,853.96	1,803,561,497.55	34,292,770.26	1.90%

Particulars	Opening Borrowing	Closing Borrowing		Interest Expense (incl. Processing Fee charges)	% of Borrowing
Jan-20	469,009,512.55	478,313,423.65	473,661,468.10	5,920,988.94	1.25%
Feb-20	478,313,423.65	474,307,130.88	476,310,277.27	5,920,988.94	1.24%
Mar-20	474,307,130.88	451,459,053.52	462,883,092.20	5,920,988.94	1.28%
Total	1,421,630,067.08	1,404,079,608.05	1,412,854,837.57	17,762,966.82	1.257%

the Quarter	1.94%	7.763%
Margin CAP for		9
for Quarter 4	3.77%	15.089%
Average Borrowing		
Yield for Quarter 4	5.71%	22.852%



BALANCE SHEET FOR THE YEAR ENDED 31st March 2020

M/s VIRUTCHAM MICROFINANCE LTD.,

 ${\sf C50,} Gurudev\ {\sf Nagar,} {\sf Byepass}\ {\sf Road,} {\sf Avaniya} {\sf puram}\ ,\ {\sf Madurai},\ \ {\sf Tamil}\ \ {\sf Nadu-625012}$ Balance Sheet as at 31st March 2020

(Amount in ₹)

Particulars	Notes	Asat 31.03	3.2020	Asat 31	(Amount in ₹)
I. EQUITY AND LIABILITIES	Notes	A341 01.00	1	Asato	
I. EQUITY AND LIABILITIES					
(1) SHAREHOLDER'S FUND					
(a) Share Capital	3	120,194,680		90,000,000	
(b) Reserves and Surplus	4	40,513,557		20,974,833	
			160,708,237		110,974,833
(2) NON-CURRENT LIABILITIES					
(a) Long term borrowings	5	169,275,049		197,631,080	
(b) Long Term Provisions	6	2,623,179		1,722,361	
			171,898,228		199,353,441
(3) CURRENT LIABILITIES					
(a) Other Current Liabilities	7	331,120,851		316,789,478	
(b) Short Term Provisions	8	4,718,998		3,785,072	
			335,839,849		320,574,550
Total			668,446,315		630,902,824
II. ASSETS					
(1) NON-CURRENT ASSETS					
(a) Fixed Assets					
(i) Tangible Assets	9A	3,006,031		1,874,116	
(ii) Intangible Assets	9B	737,101		929,988	
(b) Long Term Loans and Advances	10	1,021,299		542,525	
(c) Long Term Receivables under Financing Activity	11	262,317,882		172,236,050	
(c) Other Non Current Assets		494,242		658,990	
			267,576,555		176,241,670
(2) CURRENT ASSETS			(A)		300000000000000000000000000000000000000
(a) Trade Receivables- Under Financing Activity	12	345,839,802		344,472,099	
(b) Cash and Cash Equivalents	13	33,409,018		97,048,150	
(c) Short Term Loans and Advances	14	2,305,089		2,101,836	
(d) Deferred Tax Asset	22	938,910		606,122	
(e) Other Current Assets	15	18,376,941		10,432,947	
			400,869,760		454,661,154
Total			668,446,315		630,902,824

UDIN:20019503AAAABQ9723

For ANBALAGAN & CO

In Accordance with our Report attached

For and on behalf of the Board of Directors

CHARTERED ACCOUNTANTS

FRN No: 011394S

SOOSAI CHARLES CHARLES SELVARAJ Devesahay am Asokan

N.ANBALAGAN, PROPRIETOR M.No: 019503

MANAGING DIRECTOR

DEV ASOKAN CHAIRMAN

KIRTHI SHARMA COMPANY SECRETARY

M.NO.26100

Place: MADURAI Date: 31.08.2020

Place: MADURAI Date: 31.08.2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March 2020

<u>M/s. VIRUT (</u> C50,Gurudev Nagar,Byepass Ro		ICROFINANCE LTD	mil Nadu-625012			
Statement of Profit And						
Particulars	Notes		For the year ended 31.03.2020		For the year ended 31.03.2019	
INCOME		(Amount	ın ₹) İ	(Amo	ount in ₹)	
1000 NAP HOR (1997)	40		144.057.070		04 570 007	
Revenue from Operations	16 17		141,857,276		84,570,827	
Other Income TOTAL REVENUE (A)	17		10,141,747 151,999,023	}	8,580,503 93,151,330	
TOTAL NEVEROL (A)			131,999,023		93,131,330	
<u>EXPENSES</u>						
Finance costs	18		87,342,910		53,847,762	
Employee benefits expense	19		28,581,837		18,000,804	
Administration expenses	20		16,262,759		11,434,569	
Depreciation and amortization expense	9		1,403,071		1,103,525	
Provisions for receivables under Financing Activity			1,884,702		2,408,538	
Other Expenses			164,748		164,748	
TOTAL EXPENSES (B)			135,640,028		86,959,946	
B						
<u>Profit before exceptional and extraordinary items and tax</u> (A) - (B)	1		16,358,995		6,191,384	
Less: Exceptional items & Extraordinary Items			-		-	
Profit before extraordinary items and tax			16,358,995	İ	6,191,384	
Less: Extraordinary items PROFIT BEFORE TAX			16,358,995		6,191,384	
Less: Tax Expenses			10,336,993		0,191,304	
(a) Current Tax		4,487,570		2,121,912		
(b) MAT Credit		-,407,570		2,121,512		
(c) Deferred Tax		(332,788)		(580,998)		
(d) (Excess) Tax provision for earlier years		(002,700)	4,154,782	(000,000)	1,540,914	
(a) (Exoca) fat provident to statist years			1,101,702	***	1,010,011	
PROFIT AFTER TAX			12,204,213		4,650,470	
Earnings per share Rs. and diluted (Face value of Rs.10 each)	21		1.36		0.69	
Significant Accounting Policies and Notes to Financial Statements form			1.30		0.69	
an integral part of the financials						
In Accordance with our Report attached	•	For and	on behalf of the	Board of Dire	ctors	
For ANBALAGAN & CO						
CHARTERED ACCOUNTANTS						
FRN No: 011394S						
N ANBALA CONTROL OF THE CONTROL OF T	SOOSAI O SELVARA		Devesaha yam Asokan		Topick viges to 800 Juliotic Not 3 billion (Not only primaria). IARAYAN SINCE Since 2 3 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	
N.ANBALAGAN,	CHAR	LES SELV ARAJ	DEV ASOKAN		KIRTHI SHARMA	
PROPRIETOR	MANA	GING DIRECTOR	CHAIRMAN	COMP	ANY SECRETARY	
M.No: 019503					M.NO.26100	
Place : M ADURAI			Place: MADURA	ļ		
Date: 31.08.2020			Date: 31.08.2020			

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2020

	RUTCHAM MICROFINANCE			
	ass Road, A vaniya puram , M ad sh Flow For the Period Ended		25012	
Particulars	For the year ended 31s		For the year ended	d 31 March, 2019
	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)	(Amount in ₹)
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax	16,358,995		6,191,384	
Adjustments for:				
Depreciation and amortisation	1,403,071		1,103,525	
Unamortised Expenses	164,748		164,748	
Provisions for receivables under Financing Activity	1,884,702		2,408,538	
Operating profit / (loss) before working capital changes		19,811,516		9,868,195
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(92,414,741)		(241,353,930)	
Short-term loans and advances	(203,253)		(632,790)	
Long-term loans and advances	(478,774)		(122,000)	
Other current assets	(7,943,994)		(4,709,723)	
Other non-current assets		(101,040,762)		(246,818,443
Adjustments for increase / (decrease) in operating liabilities:				
Other current liabilities		14,331,373		179,402,506
Long-term provisions				
Cash flow from extraordinary items		-		m:
Cash generated from operations		(66,897,872)	1 [(57,547,742)
Net income tax (paid) / refunds		(3,572,320)	1	(2,435,735)
Net cash flow from / (used in) operating activities (A)		(70,470,192)	1 1	(59,983,477)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(2,342,099)		(1,140,085)	
Proceeds from sale of fixed assets	-	(2,342,099)		(1,140,085)
Cash flow from extraordinary items		-		-
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) investing activities (B)		(2,342,099)] [(1,140,085)
C. Cash flow from financing activities				
Proceeds from issue of equity shares	37,529,191		46,254,675	
Cash expenditure on issue of equity shares	-		(823,738)	
Proceeds from long-term borrowings	(28,356,031)		77,492,026	
Repayment of long-term borrowings	(=3,000,001)			
Proceeds from other short-term borrowings	_	9,173,160		122,922,963
Net cash flow from / (used in) financing activities (C)		9,173,160	i i	122,922,963
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(63,639,132)	1 [61,799,401
Cash and cash equivalents at the beginning of the year		97,048,150		35,248,749
Cash and cash equivalents at the end of the year		33,409,018	i i	97,048,150
Note:			<u> </u>	
Note: (i) The above cash flow statement has been prepared under the "Indir	act Mathod" as set out in Asse	unting Standard 2 (ach Flow Statement	te
(ii)Refer Note: 13 for items included in cash & cash equivalents.	ect Method as set out in Acco	ounting Standard-3 (Dasi Flow Statement	13
In terms of our report attached.	For and on be	half of the Board of	Directors	
For ANBALAGAN & CO	Tor and on be	man or the board of	Directors	
CHARTERED ACCOUNTANTS				
FRN No: 011394S	Dig Biglior innead for SVVIII	ALCHARIS SELWAN	Davissahi	
N Departs systems AMELINE	SOOSAI CHARLES One Color ariaK celar-6,79094, m-Torvii 1,86cc(2705-de-9c) 1,604) to-640/16 4 3,604	Devesah ayam	KIRTI Cigady signality (SITI JARVANIA) SANSAN LA INI A P A V A N Cigady signality (SITI JARVANIA) SANSAN	
ANBALAG Salaman Andrew Company Compan	SELVARAJ	2a60,779.09.789.966.65.55.53.680.4 M1863a L com-SOCKAPCHARLES 1 +07.98	Asokan	JAINARAYAN THE CONTROL OF THE CONTRO
N.ANBALAGAN,	CHARLES SELVARAJ	J	DEV ASOKAN	KIRTHI SHARMA
PROPRIETOR	MANAGING DIRECT		CHAIRMAN	COMPANY SECRETARY
M.No: 019503			000000000000000000000000000000000000000	M.NO.26100
Place : M ADURAI	Place : MADURAI			
Date: 31.08.2020	Date: 31.08.2020			

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

M/s. VIRUTCHAM MICROFINANCE LTD., C50,Gurudev Nagar,Byepass Road,Avaniyapuram, Madurai, Tamil Nadu-625012

Note No.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

CORPORATE INFORMATION

M/s. Virutcham Microfinance Limited is registered with the Chennai Registrar of Companies as a Public Limited Company on 8th July, 2008 vide Registration no. U65929TN2008PLC068502. The Company is holding a valid Certificate of Registration (COR) issued by Reserve Bank of India as a Non-Banking Financial Company without accepting public deposits vide certificate No. N-07-00779 dated 3rd August, 2009 and converted into NBFC MEL with effect from 06th June 2014.

The registered office of the company is located at C50, Gurudev Nagar, Byepass Road, Avaniya puram, Madurai, Tamil Nadu-625012.

The Company is engaged in extending Micro credit to economically active persons. The Company generally provides small value collateral free loans ranging from Rs. 10,000 to 1,00,000 upto a tenor of 24 Months with Monthly repayment. The Company broadly follows the Joint-Liability Group model, where each member of the group guarantees the loan repayment of the other members of the group. All transactions are conducted in group meetings organised every Month near the habitats of the members.

The Operations of the Company is concentrated within the State of Tamilnadu and extended to kerala and Pandichery during the Financial year.

SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies Accounts Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the provisions of the Companies Act, 2013. The Company follows the directions prescribed by the Reserve Bank of India (RBI) for Non Banking-Financial Companies - Microfinance Institutions.

2.02 Use of estimates

The presentation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent assets and liabilities) at the end of the year and the reported revenues and expenses during the year. The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the period in which the results are known/material.

2.03 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.04 Cash flow statement

Cash flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard 3. The cash flows from operating investing and financing activities of the company are segregated based on the available information.

2.05 Property Plant and Equipment

Fixed assets are stated at cost net of depreciation. The cost of an asset comprises its purchase price and any cost directly attributable for bringing the asset to its working condition and location for its intended use.

- (i) Depreciation has been provided on the straight-line method as per the rates prescribed in Part "C" of Schedule II to the Companies Act, 2013.
- $\hbox{\it (ii) Depreciation on additions is charged proportion at ely from the date of acquisition/installation. } \\$

2.06 Receivables Under Financing Activity

Receivables under Financing activity include Micro finance loans. Loans are classified into 'Performing and Non-Performing' assets in terms of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 issued by the Reserve Bank of India as amended from time to time.

C50, Gurudev Nagar, Byepass Road, Avaniyapuram, Madurai, Tamil Nadu-625012

Note

No.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.07 Revenue recognition

Revenues from Interest on loans financed by the company is recognized on accrual basis, considering the directions issued by the Reserve Bank of India from time to time in terms of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998. Loans are classified into 'Performing and Non-Performing' assets in terms of the said Directions.

Processing fees at the rates as permitted by the RBI is charged on the Microfinance loans disbursed and the same is recognised as and when collected at the time of loan disbursement.

2.08 Other income

Bank Deposit Interest income is accounted on accrual basis. Revenue from Interest income on fixed deposits with banks is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

2.09 Employee benefits

a. Short term employee benefits including salaries, social security contributions, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non monetary benefits for current employees are estimated and measured on an undiscounted basis.

B. Defined contribution plans:- Company's contributions paid/payable during the year to Provident Fund, Pension fund and employee state insurance scheme are recognised in the statement of Profit and Loss based on amount of contribution required to be made and when services are rendered by the employees.

2.10 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

2.11 Segment reporting

The Company's business segment is micro finance services and the principal geographical segment is India. Accordingly, no separate disclosure is required to be made under Accounting Standard 17, Segment Reporting.

2.12 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.13 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year after taking into consideration the benefits /disallowances admissible under the provisions of the Income Tax Act. 1961.

Minimum Alternate Tax paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences.

2.14 Provisions and Contingent liabilities

Provisions are recognised when the Company has a present obligation as a result of past events 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 best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. All material known liabilities are provided for and liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to accounts

2.15 Preliminary Expenses

Preliminary Expenses are written off in five years from the commencement of commercial operations.

 ${\tt C50, Gurudev\ Nagar, Byepass\ Road, Avaniya puram\ ,\ M\ adurai,\ Tamil\ Nadu-625012}$

SHARE CAPITAL:	ESTO THE FINANCIAL ST	TATEMENTS		
GIAIL GATTAL.	As at 31st M	arch, 2020	Asat 31st N	1 arch, 2019
Particulars	Number of Shares	(Amount in ₹)	Number of Shares	(Amount in
Authorised:				
Equity shares of Rs.10/- each	20,000,000	200,000,000	20,000,000	200,00
Emiliar shares of De 10/ seek				
Equity shares of Rs.10/- each Equity Shares of Rs.10/-, each, fully paid up	12,019,468	120,194,680	9,000,000	90,00
Equity Grades of Fis. 10/-, each, fully part up	12,013,400	120,194,000	9,000,000	30,00
Total	12,019,468	120,194,680	9,000,000	90,00
Notes:				
(i) The reconciliation of the number of shares outstanding	and the amount of share ca	pital as at 31st March	, 2020 and 31st March,	2019 is set out b
	As at 31st M	arch, 2020	A sat 31st M	larch, 2019
Particulars Particulars	Number of Shares	(Amount in ₹)	Number of Shares	(Amount in
Balance at the beginning of the year	9,000,000	90,000,000	5,000,000	50,00
Add: Share Capital issued during the Financial Year	3,019,468	30,194,680	4,000,000	40,00
Balance at the close of the year	12,019,468	120,194,680	9,000,000	90,00
Name of the Shareholder	As at 31st M	No. of Shares	A sat 31st M	No. of Sha
Mr.S.Charles Selvaraj and Family & Associate	50.00%	6,009,950	22.11%	1,98
M/sInfotech Solution	3.99%	480,000	5.33%	48
Mr. Newman Jeevaraj	4.83%	580,000	6.44%	5
Mr. Balasamynathan	12.48%	1,500,000		
Mr.Edwin Jose	9.94%	1,195,312	11.11%	1,00
Mr.Ramasubbu Mr. Dev Asokan and Family	4.99% 11.01%	600,000 1,323,816	6.67% 7.30%	66
RESERVES & SURPLUS				
Particulars			As at 31st March 2020	A sat 31st M 2019
(a) Securities Premium Account :			(₹)	(₹)
Opening Balance			6,254,675	
Add: Premium on Issue of Share Capital			7,334,511	6,25
	Α		13,589,186	6,25
(b) Statutory Reserves - (Refer Note Below)				
As per beginning of reporting period			3,253,744	2,32
ADD: Additions/ transfers during the year			2,440,843	90
LESS: Utillisations/ transfers during the year As per the end of the reporting period	В		5,694,587	3,25
Asper the end of the reporting period			3,034,307	0,20
(c)Surplus in Statement of Profit & Loss				
Asper beginning of reporting period			11,466,414	7,74
Add: Transferred from Profit and Loss Account			12,204,213	4,6
Less: Transferred to Statutory Reserve			(2,440,843)	(9:
3 3 4 4 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5			21,229,784	11,46
As per the end of the reporting period Closing Balance	C Total (A+B+C)		40,513,557	20,97

 ${\tt C50,Gurudev\ Nagar,Byepass\ Road,Avaniyapuram\ ,\ Madurai,\ Tamil\ Nadu-625012}$

Note No.	NOTES TO THE FINANCIAL STATEMEN	its	
5	LONG TERM BORROWINGS		(Amount in ₹)
	Particulars	As at 31st March 2020	As at 31st March 2019
	Secured		
	- Term Loan (Refer Note 5.1 as below)	72.293.342	00 007 440
	(i) Banks (ii) Others	96,981,707	28,837,443 168,793,637
	(ii) Others	169,275,049	197,631,080
	Note: The Company has not defaulted in repayment of Loans and the Interest accrue	d on it	
6	LONG TERM PROVISIONS		
	Particulars	As at 31st March 2020	As at 31st March 2019
	Desidies Others		, 34 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4
	Provision - Others: Contingent Provisions against Standard Assets (Refer Note 23)	2,623,179	1,722,361
	Total	2,623,179	1,722,361
_		_,,,,,,	.,. ==,==.
7	SHORT TERM BORROWINGS	As at 31st March	Asat 31st March
	Particulars	2020	2019
	(a) Current maturities of Long Term debt (Refer Note 5.1 and 5.3)		
	(i) Banks	54,327,367	29,704,943
	(ii) Others	268,490,560	286,492,355
	Total	322,817,927	316,197,298
	(b) Statutory Payables-		
	TDSPayable	393,217	8
	(c)Other Payables:	200,000	200,000
	Audit Fees Payable		200,000
		726 504	
	Processing Fees Payable	726,504	
	Rent payable	168,467	
	Rent payable Accrued Interest Payable	168,467 2,502,997	183 481
	Rent payable Accrued Interest Payable Insurance Payable	168,467 2,502,997 129,037	183,481 208,700
	Rent payable Accrued Interest Payable	168,467 2,502,997	183,481 208,700 316,789,478
8	Rent payable Accrued Interest Payable Insurance Payable Other Current Liabilities	168,467 2,502,997 129,037 4,182,702	208,700
8	Rent payable Accrued Interest Payable Insurance Payable Other Current Liabilities Total	168,467 2,502,997 129,037 4,182,702 331,120,851	208,700 316,789,478 Asat 31st March
8	Rent payable Accrued Interest Payable Insurance Payable Other Current Liabilities Total SHORT TERM PROVISIONS Particulars	168,467 2,502,997 129,037 4,182,702 331,120,851	208,700 316,789,478
8	Rent payable Accrued Interest Payable Insurance Payable Other Current Liabilities Total SHORT TERM PROVISIONS Particulars Provision - Others	168,467 2,502,997 129,037 4,182,702 331,120,851 As at 31st March 2020	208,700 316,789,478 Asat 31st March 2019
8	Rent payable Accrued Interest Payable Insurance Payable Other Current Liabilities Total SHORT TERM PROVISIONS Particulars	168,467 2,502,997 129,037 4,182,702 331,120,851	208,700 316,789,478 Asat 31st March

Note 5 (Cont.):					
(i) Details of terms of repayment for the l	long-term borrowings				
Particulars	Terms of repayment and security	As at 31st N	larch 2020	As at 31st M	arch 2019
Tatticulais	Terms of repayment and security	Current	Non-Current	Current	Non-Current
Term loans from banks:		₹	₹	₹	₹
State Bank of India	Rate of Interest - 11.55 % Repayable in monthly installments	10,909,092	9,252,293	10,000,001	20,319,536
Tamilnad Mercantile Bank - Loan No.963	Rate of Interest -12.10 % Repayable in monthly installments	-	-	6,557,820	
Tamilnad Mercantile Bank - Loan No.985	Rate of Interest - Base Rate +2.55% Repayable in 12 Quarterly installments	8,418,259	-	10,000,008	8,517,907
Tamilnad Mercantile Bank - Loan No.1072	Rate of Interest - Base Rate +2.55% Repayable in 12 Quarterly installments	10,000,008	17,832,730		
Bank of Maharashtra	Rate of Interest - Base Rate +2.50% Repayable in 33 Monthly installments	-	-	3,147,114	
IDFC First Bank		25,000,008	5,208,319	i i	-
Others		-	40,000,000		3.0
Total - Term loans from banks		54,327,367	72,293,342	29,704,943	28,837,443

Term loans from others:					
Capital First Limited -1		9,230,769	-	12,307,692	9,230,770
Capital First Limited -2	Rate of Interest - 15.25% Repayable in 24 monthly installments	15,384,612	7,692,305	15,384,619	23,076,917
Capital First Limited -3	Rate of Interest - 15.25% Repayable in 24 monthly installments	15,384,612	11,538,469	15,384,612	26,923,082
Capital First Limited -4	Rate of Interest - 15.25%	16,666,668	12,499,997	16,666,668	29,166,665
	Repayable in 24 monthly installments	,,	,,	,,	,,
MAS Financial Services Limited -1	D	-	-	-	-
MAS Financial Services Limited- 2	Rate of Interest - 15.25% Repayable in 24 monthly installments	-	-	555,548	-
MAS Financial Services Limited-3A	Rate of Interest - 15.25% Repayable in 24 monthly installments	-	14	1,666,660	-
MAS Financial Services Limited -3B	Rate of Interest - 15.25% Repayable in 24 monthly installments	-	-	2,222,216	-
MAS Financial Services Limited -4	Rate of Interest - 15.25% Repayable in 24 monthly installments	-	-	4,444,446	9
MAS Financial Services Limited -5	Rate of Interest - 15.25% Repayable in 24 monthly installments	2	-	6,666,668	1
MAS Financial Services Limited -6		-	-	8,888,890	
MAS Financial Services Limited -7		-	-	16,666,664	-
MAS Financial Services Limited -8A		-	-	13,888,888	1
MAS Financial Services Limited -8B		-	-	15,277,777	-
MAS Financial Services Limited -9		-	-	16,666,666	
MAS Financial Services Limited -10		6,666,662	-	20,000,004	6,666,662
EFL Term Loan-1		-		-	
EFL Term Loan-2		-		7,722,628	1
EFL Term Loan-3		2,751,172	-	11,331,730	2,751,172
EFL Term Loan-4		7,678,764		9,821,236	7,678,764
EFL Term Loan-5		17,066,191	1,540,358	-	
Incred Term Loan-1		-	-	4,835,512	
Incred Term Loan-2A		617,771	-	6,825,569	617,771
Incred Term Loan-2B		1,827,888	-	6,654,979	1,827,888
Incred Term Loan-3		19,166,137	-		
AVANSE Term Loan -1		-	-	3,584,634	•
AVANSE Term Loan -2		-	-	5,830,185	
E Clear Term Loan		-	-	7,103,624	6,815,202
E Clear Term Loan - 1		6,815,201	-	-	-
E Clear Term Loan - 2		10,361,790	2,849,544	-	-
E Clear Term Loan - 3	D (1	9,471,501	9,086,933	-	
Oikio Credit	Rate of Interest - 16.25% Repayable in 24 monthly installments	11,250,000	-	15,000,000	11,250,000
Intell Grow -1		6,804,972	-	7,078,012	6,804,972
Intell Grow -2A		10,079,825	4,847,979	(5)	=
Intell Grow -2B Western Capital	Rate of Interest - 15.25%	4,970,317 9,722,222	2,884,453	15,277,778	9,722,222
AMBIT -1	Repayable in 24 monthly installments Rate of Interest - 15%	6,261,547		8,738,454	6,261,546
	Repayable in 18 monthly installments Rate of Interest - 15%				
Nabard Financial Services Limited Profectus Capital	Repayable in 19 monthly installments	10,000,004 9,454,122		9,999,996	10,000,004
Hinduja Leyland Finance		20,465,781	7,565,142	-	2
SMC Finance		12,300,405	8,116,000	2	-
Ananya Finance -1		5,000,004	3,749,995	-	8
Ananya Finance -2		5,000,004	3,749,995		
SAMUNNATI Finance		13,924,952	15,027,204		
MUDRA		4,166,667	5,833,333		
Reliance Commercial Finance - 1	Rate of Interest - 14 % Repayable in 12 Quarterly installments	-	-	-	-
Reliance Commercial Finance - 2	Rate of Interest - 14% Repayable in 23 monthly installments	-	-		2
Others		-	-	-	10,000,000
Total - Term loans from other parties	•	268,490,560	96,981,707	286,492,355	168,793,637
Total		322,817,927	169,275,049	316,197,298	197,631,080
STERLI PROPERTY					

	M/s VIRUTCHAM MICROFINANCE LTD.,						
Note	C50,Gurudev Nagar,Byepass Road,Avaniyapuram , Madurai, Tamil Nadu-625012 Note						
No.	NOTES TO THE FINANCIAL STATEMENTS						
10	LONG TERM LOANS AND ADVANCES		(Amount in ₹)				
	Particulars	As at 31st March 2020	As at 31st March 2019				
	Security deposits						
	-Telephone	10,799	9,525				
	-Rental Advance	1,010,500	533,000				
	Total Advance	1,010,000	000,000				
	Total	1,021,299	542,525				
11	LONG TERM RECEIVABLE UNDER FINANCING ACTIVITY						
	Particulars	As at 31st March 2020	As at 31st March 2019				
	Long-term trade receivables						
	Unsecured, considered good	262,317,882	172,236,050				
	Total	262,317,882	172,236,050				
11.1	OTHER NON CURRENT ASSETS						
	Particulars	As at 31st March 2020	As at 31st March 2019				
	Unamortised Expenses						
	Opening Balance	658,990					
	Add: Expenses incurred for increasing Authorised Capital	•	823,738				
	Less: Amortisation for the Current Year (2nd Year)	164,748	164,748				
	Total	494,242	658,990				
12	TRADE RECEIVABLES - Under Financing Activity						
	Particulars	As at 31st March 2020	As at 31st March 2019				
	(a) Outstanding for a period less than six months from the date of due						
	Unsecured, Considered good Micro finance Ioan (Refer Note (i) below)	345,839,802	344,472,099				
	Total	345,839,802	344,472,099				
13	CASH AND CASH EQUIVALENTS						
	Particulars	As at 31st March 2020	As at 31st March 2019				
	(a) Cach on hand	240 200	715 550				
	(a) Cash on hand	348,308	715,550				
	(b) Balances with banks	494,856	46,060,000				
	(i) Current Accounts (ii) In deposit accounts	32,565,854	46,968,600 49,364,000				
	(ii) in deposit accounts Total	33,409,018	97,048,150				
	i otai	33,409,010	37,040,150				

Employee Advance		M/s VIRUTCHAM MICROFINANCE LTD., C50,Gurudev Nagar,Byepass Road,Avaniyapuram , Madurai, Ta	mil Nadu-625012				
Particulars		NOTES TO THE FINANCIAL STATEMENTS					
Employee Advance	14	4 SHORT-TERM LOANS AND ADVANCES					
Advance Payment Made for Software Total 2,305,989 2,101,68		Particulars	As at 31st March 2020	As at 31st March 2019			
Total 2,305,089 2,101,6			2,305,089	2,101,836 -			
Description Particulars As at 31st March 2020			2,305,089	2,101,836			
(b) Accruals (i) Interest accrued on deposits Others (c) Prepaid Processing Charges (d) Income Tax Refund due (e) GST Deposit (f) TDS Receivable (g) GST Deposit (h) Advances EMI to MAS (i) Interest receivable on Loan (i) Other Advances (k) Security Deposit (NSDL) (l) Software Advance (l) Security Deposit (NSDL) (l) Software Advance (l) Total REVENUE FROM OPERATIONS Particulars For the year ended 31st March 2020 Interest on Ioans under Financing Activity Total For the year ended 31st March 2020 Interest on Bank Deposits Processing Fees (l) GST Security Securi	15	OTHER CURRENT ASSETS					
(i) Interest accrued on deposits Others Chers Ch		Particulars	As at 31st March 2020	Asat 31st March 2019			
(i) Interest accrued on deposits Others Cic Prepaid Processing Charges (c) Prepaid Processing Charges (d) Income Tax Refund due (e) GST Deposit (f) TDS Receivable (g) GST Receivable (h) Advances EMI to MAS (l) Interest receivable on Loan (l) Other Advances (k) Security Deposit (INSDL) (l) Software Advance (l) Software Adva		(h) Apprint	,	,			
(d) Income Tax Refund due (e) GST Deposit (e) GST Deposit (f) TDS Receivable (g) GST Receivable (g) GST Receivable (g) GST Receivable (h) Advances EMI to MAS (l) Interest on Bank Deposits Particulars (g) GST Receivable (h) Advances EMI to MAS (l) Interest on Bank Deposits Particulars (g) GST Receivable (h) Advances EMI to MAS (l) Interest on Bank Deposits (h) Advances (h) Advan		(i) Interest accrued on deposits	1,831,541 -	2,133,479			
(e) GST Deposit (f) TDSReovable (g) GST Receivable (g) GST Receivable (g) GST Receivable (h) Advances EMI to MAS (h) Advances EMI to MAS (i) Inter est receivable on Loan (j) Other Advances (k) Security Deposit (NSDL) (l) Software Advance Total REVENUE FROM OPERATIONS For the year ended 31st March 2020 1st March 2019			4,750,393	3,104,908			
(f) TDS Receivable (g) GST Receivable (10, AST Receivable on Loan (10, AST Receivable			1 124 226	492 444 70			
(g) GST Receivable (h) Advances EMI to MAS (1,666,667 (1,1666,667 (1) Interest receivable on Loan (1,000,000,1666,667 (1) Interest receivable on Loan (1,000,000,1666,667 (1,000,000,000,1666,667 (1,000,000,1666,667 (1,000,000,1666,667 (1,000,000,000,1666,667 (1,000,000,1666,667 (1,000,000,1666,667 (1,000,000,000,1666,667 (1,000,000,000,1666,667 (1,000,000,1666,667							
(h) Advances EMI to MAS (i) Interest receivable on Loan (i) Other Advances (k) Security Deposit (NSDL) (i) Software Advance Total 18,376,941 10,432,5 10 REVENUE FROM OPERATIONS Total 18,376,941 10,432,5 Total 18,376,941 10,432,5 Total 18,376,941 10,432,5 Total For the year ended 31st March 2020 31st March 2019 11terest on loans under Financing Activity Total 17 OTHER INCOME Particulars Total For the year ended 31st March 2020 31st March 2019 11terest on Bank Deposits Processing Fees 6,630,940 5,797,1 Miscellaneous Income Total Total For the year ended 31st March 2019 11terest on Bank Deposits From the year ended 31st March 2019 11terest on Bank Deposits From the year ended 31st March 2019 11terest on Bank Deposits From the year ended 31st March 2019 11terest on Bank Deposits From the year ended 31st March 2019 11terest on Bank Deposits From the year ended 31st March 2019 11terest on Bank Deposits From the year ended 31st March 2019 11terest on Bank Deposits From the year ended 31st March 2019 11terest on Bank Deposits Particulars For the year ended 31st March 2019 11terest on Bank borrowings Interest on Bank borrowings Interest on Debentures			11000 0 m (c) (c) (c) (c) (c) (c) (c) (c) (c) (c)	108,000.00			
(i) Interest receivable on Loan (j) Other Advances (k) Security Deposit (NSDL) (l) Software Advance		Will be as a superior of the s		1,666,667.00			
REVENUE FROM OPERATIONS				2,908,151			
(I) Software Advance		(j) Other Advances	152,486				
Total 18,376,941 10,432,93 10,432,		(k) Security Deposit (NSDL)	45,000				
REVENUE FROM OPERATIONS For the year ended 31st March 2020 31st March 2019		(I) Software Advance	562,970				
For the year ended 31st March 2020 State March 2019		Total	18,376,941	10,432,947			
Interest on loans under Financing Activity	16	REVENUE FROM OPERATIONS					
Interest on loans under Financing Activity							
Total 141,857,276 84,570,8		Particulars	31st March 2020	31st March 2019			
Total 141,857,276 84,570,8		Library Lands Francisco Anni N	,	,			
Total For the year ended For the year ended 31st March 2019							
For the year ended 31st March 2020 Sixt March 2019	0	rotu	141,007,270	04,070,027			
Name	17	OTHER INCOME	For the year anded	For the year anded			
Processing Fees 6,630,940 5,797,7 Miscellaneous Income Total 10,141,747 8,580,5 FINANCE COSTS For the year ended 31st March 2020 For the year ended 31st March 2019 Interest on Bank borrowings 82,588,395 50,948,5 Interest on Debentures - -		Particulars	and the property of the control of t				
Processing Fees 6,630,940 5,797,1 Miscellaneous Income 343,574 999,0 Total 10,141,747 8,580,5 FINANCE COSTS For the year ended 31st March 2020 31st March 2019 Interest on Bank borrowings 82,588,395 50,948,5 Interest on Debentures - - - - Interest on Debentures - - Interest on Debentures - - - Interest on Debentures - Intere			*	,			
Miscellaneous Income 343,574 999,0		Interest on Bank Deposits	3,167,233	1,784,256			
Total 10,141,747 8,580,581		Processing Fees	6,630,940	5,797,160			
FINANCE COSTS For the year ended 31st March 2020 31st March 2019 Interest on Bank borrowings 82,588,395 50,948,5 Interest on Debentures		Miscellaneous Income	343,574	999,087			
Particulars For the year ended 31st March 2020 Interest on Bank borrowings Interest on Debentures For the year ended 31st March 2019 Solve and 31st March 2019		Total	10,141,747	8,580,503			
Particulars 31st March 2020 31st March 2019 Interest on Bank borrowings 82,588,395 50,948,8 Interest on Debentures -	18	FINANCE COSTS					
Interest on Debentures		Particulars	Account of the control of the contro	For the year ended 31st March 2019			
Interest on Debentures			,	,			
Interest on Debentures		Interest on Bank borrowings	82,588,395	50,948,920			
		-	-				
			4,754,515	2,898,842			
Total 87,342,910 53,847,7		Total	87,342,910	53,847,762			

	M/s VIRUTCHAM MICROFINANCE LTD.,	-	
ote	C50,Gurudev Nagar,Byepass Road,Avaniyapuram , Madurai, T	amil Nadu-625012	
lo.	NOTES TO THE FINANCIAL STATEME	NTS	
19	EMPLOYEE BENEFITS EXPENSE		
	Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
- 1		,	3.
	Salaries and wages	24,496,663	15,281,27
	Staff welfare expenses	1,813,986	1,182,1
	Director Remuneration	1,640,000	1,200,00
	Staff Trainig	323,281	248,70
	Incentive Programme	307,907	88,60
	Total	28,581,837	18,000,8
20	ADMINSTRATION EXPENSES		
		For the year ended	For the year ended
ı	Particulars	31st March 2020	31st March 2019
	Bank charges	108,728	62,9
- 1	Printing & Stationery	717,527	565,50
	Postage & Courier Charges	219,239	192,9
	Rent & Electricity Charges	2,175,862	1,343,3
	Repairs and Maintenance - Building	12,067	261.3
	Repairs and Maintenance - Computer	54,510	56,1
	Repairs and Maintenance	153,599	14,6
	Document Charges on Borrowers	170,170	124,0
	2 × × × × × × × × × × × × × × × × × × ×	THE COLUMN TWO IS NOT THE COLUMN TWO IS NOT	
- 1	Communication expenses	620,466 18,500	487,6
	Commission and Brokerage Marketing Expenses	617,865	329,5
- 1	0.0000000000000000000000000000000000000	N. N. N. N. N. N. N. N. N. N. N. N. N. N	1000000000
	Travelling & Conveyance	4,468,750	2,367,8
	Refreshment Exp	145,679	123,2
	Meeting & Training Expenses	338,934	320,3
	Cleaning charges and Materials	224,570	141,9
	Advertisement Expenses	51,010	59,1
	Service charge paid to Ngo	3,835,467	2,806,1
	M FI Rating fees	195,000	130,0
	Other professional charges	370,970	375,2
	Credit information charges	690,155	349,3
	Audit fees	200,000	200,0
	Legal Expense	132,997	69,6
	Miscellaneous expenses	522,749	120,2
	Muncipal Tax Expenses	6,026	
	Branch Opening Expenses	-	
	Consultation fees	103,119	541,0
	ROC Filling	66,800	45,2
	Software Maintainance	42,000	346,9
l	Total	16,262,759	11,434,5
	NOTE 20.1		
	Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
ŀ	Payments to the auditors comprises (net of service tax input credit, where applicable)	``	
	For Statutory audit		I
I	- Audit Fees	165,000	165,0
I	- Tax Audit Fees	20,000	20,0
- 1	- Other Certification	15,000	15,0
	Chica Continuation	10,000	200,0

C50, Gurudev Nagar, Byepass Road, Avaniyapuram, Madurai, Tamil Nadu-625012

Note NOTES TO THE FINANCIAL STATEMENTS

21 Disclosures under Accounting Standard - 20

Particulars	As at 31st March, 2020	Asat 31 March, 2019
EARNINGS PER SHARE		
Basic		
Net profit / (loss) for the year from continuing operations	16,358,995	6,191,384
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	16,358,995	6,191,384
Weighted average number of equity shares	12,019,468	9,000,000
Par value per share	10	10
Earnings per share from continuing operations - Basic	1.36	0.69
actions) and of		

Note: The Company raised fresh 30,19,468 equity shares under right issue basis during the financial year 2019-20.

The Earnings per share for the Financial year 2019-20, after fresh issue of equity shares is Rs.1.32.

22 Disclosures under Accounting Standard - 22

Particulars	As at 31st March, 2020	Asat 31 March, 2019
		,
Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability		
On difference between book balance and	938,910	606,122
Tax effect of items constituting deferred tax liability	938,910	606,122
Tax effect of items constituting deferred tax assets		
Brought forward business losses		
Tax effect of items constituting deferred tax assets		
Net deferred tax (liability) / asset	938,910	606,122

The Company has recognised deferred tax liability on timing difference on difference between depreciation as per Accounting book and tax law.

23 Disclosures under Accounting Standard - 29

Details of provisions

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to

Particulars	Asat 1 April,	Additions	A sat 31st March,
	2019		2020
	(8.)	*	
Provision for receivables under Financing Activity	5,162,081	1,884,702	6,081,577
		(1,219,304)	(1,219,304)
Less: Provision utilised for write off of Bad debts	-	(965,207)	-
		-	-
Total	5,162,081	919,495	6,081,577
Total	-	(1,219,304)	(1,219,304)

Note: - Figures in brackets relate to the previous year.

- (i) The Company has ascertained that funds to the extent of Rs.14,10,167/- (Rs.6,77,021/- Urapakkam Branch and Rs. 7,33,146/- Pudukkottai Branch) has been misappropriated by Staff members during the year. Concerted efforts have been taken by the Management for recovery. The Management states that the entire amount will be collected. Hence, there is no provision provided for the same
- (ii) The Management has written off an amount to the extent of Rs. 9,65,207 which in it's opinion the recovery is slim.

 ${\tt C50, Gurudev\ Nagar, Byepass\ Road, Avaniya puram\ ,\ M\ adurai,\ Tamil\ Nadu-625012}$

24 Disclosure Pursuant to Reserve Bank of India Notification

(iv) Government Securities(v) Others (please specify)

DNBS. 193DG(VL) - 2007 dated 22nd February 2007

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)

(Rs. in lakhs)

	Particulars	,	
	Particulars Liabilities side:		
1	Loans and advances availed by the nonbanking finanical company inclusive of	Amount	Amount
	interest accrued thereon but not paid:	outstanding	overdue
	(a) Debentures: Secured		-
	Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits		-
	(c) Term Loans	4,945.96	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Other Loans - Bank Loan repayable on Demand	-	2
	* Please see Note 1 below		
	Assets side :		Amount
			outstanding
2	Break-up of Loans and Advances including bills receivables (Other than those included in (4) below)		
	(a) Secured		-
	(b) Unsecured		6,081.58
3	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under		
	(a) Financial lease		÷
	(b) Operating lease		-
	(ii) Stock on hire including hire charges under		
	(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) Unitsof mutual funds		-
	(iv) Government Securities		-
	(v) Others (please specify)		-
	2. Unquoted :		
	(i) Shares: (a) Equity		2
	(b) Preference		*
	(ii) Debentures and Bonds		÷ .
	(iii) Units of mutual funds		

M/s VIRUTCHAM MICROFINANCE LTD., ${\tt C50, Gurudev\ Nagar, Byepass\ Road, Avaniya puram\ ,\ M\ adurai,\ Tamil\ Nadu-625012}$ 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 (please specify) 2. Unquoted : (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify) 5 Borrower group-wise classification of assets financed as in (2) and (3) above: Please see Note 2 below Category Amount net of provisions Unsecured Total Secured 1. Related Parties** 6,081.58 2. Other than related parties 6,081.58 Total 6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) Please see note 3 below Market value Book Value Category /Break (Net of Provisions) up or fair value or NAV 1. Related Parties ** (a) Subsidiaries (b) Companies in the same group (c) Other related parties 2. Other than related parties Total ** As per Accounting Standard of ICAI (Please see Note 3) 7 Other information Rs. In Lakhs Particulars Amount Gross Non-Performing Assets (a) Related parties (b) Other than related parties Net Non-Performing Assets (ii) (a) Related parties

(b) Other than related parties
Assets acquired in satisfaction of debt

C50, Gurudev Nagar, Byepass Road, Avaniyapuram, Madurai, Tamil Nadu-625012

Note NOTES TO THE FINANCIAL STATEMENTS

25 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

25.1 Earnings in foreign currency - Rs. Nil (As at 31st March, 2020 - Rs. Nil)

25.2 Expenditure in foreign currency - Rs. Nil (As at 31st March, 2020 - Rs. Nil)

25.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.

25.4 Loans & Advances

The company has provided staff advances and loans to staff during the financial year.

25.5 Asset Classification & Provisioning

The company complies with the prudential norms of the Reserve Bank of India (RBI) with regard to Income recognition, asset classification and provisioning. The company is following provisioning norms as recommended vide DNBS.CC.PD.No.250/03.10.01/2011-12 dated 2 December 2011, DNBS.PD/CC.No.263/03.10.038/2011-12 dated 20 March 2012 and DNBS.(PD).CC.No.347/03.10.38/2013-14 dated 1 July 2013.C326

Accordingly, during the year, the Company in line with the guidelines laid down under the DNBS (PD). CC. No.347/03.10.38/2013-14 dated 1 July 2013 has provided Rs. 6081577/- being 1% of the outstanding portfolio as at March 31, 2020. The disclosure made in the following table with respect to the asset classification and the provision is as per the RBI guidelines

Particulars	March 31,	2020 (₹)	March 31, 2019 (₹)	
	Loans for Financial Assistance	Provision	Loans for Financial Assistance	Provision
Summary of Portfolio Balance and related provisions	608,157,684	6,081,577	516,708,149	5,167,081.49
Note No.6 Long Term Provisions		2,623,179		1,722,361
Note No.8 Short Term Provisions		3,458,398		3,439,721
Note No.11 Other Non Current Assets	262,317,882		172,236,050	
Note No.12 Trade Receivables under Financing Activity	345,839,802		344,472,099	
Total	608,157,684	6,081,577	516,708,149	5,162,081

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

25.6 Qualifying Assets Ratio

S. No.	Particulars	₹	%
A.	Net Assets of the Company	667,603,152	
B.	Qualifying Assets	608,157,684	
C.	Qualifying Assets Ratio		91.10%
D.	Ratio of Income Generation Loan to Total Loan		
	Income Generation Loan	608,157,684	
	Total Loan	608,157,684	
	Ratio		100.00%

25.7 Disclosure Pursuant to Reserve Bank of India Notification DNBS.200/CCM (PK)-2008 dated 1st August 2008

(i) Capital to Risk asset ratio

		March 31, 2020	Asat 31 March,
S. No.	Particulars		2019
		₹	₹
A.	Tier I Capital	160,708,237	110,625,456
B.	Tier II Capital	46,081,577	15,162,081
C.	Total	206,789,814	125,787,537
	Total Risk Weighted Assets	630,561,955	529,557,737
	Capital Ratios		
1	Tier I Capital as percentage of Total Risk Weighted Assets (%)	25.49%	20.89%
	Tier II Capital as percentage of Total Risk Weighted Assets (%)	7.31%	2.86%
	Total Capital (%)	32.79%	23.75%

25.8 Statutory Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve find at the rate of 20% of the Net profit after tax of the Company every year. Accordingly, the Company has transferred an amount of Rs.2440843/- (Year ended 31 March, 2019 Rs. 930094/-), out of the Net Profit after tax for the year ended 31st March 2020 to Statutory Reserve.

25.9 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

M/s VIRUTCHAM MICROFINANCE		005040	
C50, Gurudev Nagar, Byepass Road, Avaniyapuram, Mac Calculation of Captial Adequacy Ratio as on 3		625012	
Particulars	Sub totals	Totals	Totals
Tier I Capital		NY ILLY THE AREAS	10/2002/00/01
Add:			
1.Paid up equity capital	120,194,680		
2.Convertible preference shares			
3.Free reserves	26,924,371		
4.Share premium (balance in the account)	13,589,186		
5.Capital reserve (rep. sur+ of sale proceeds of asset)		160,708,237	
Less: 1. Accumulated loss in balance sheet	2		
2. Book value of intangible assets			
3. Deferred revenue expenditure		_	
Net owned fund		160,708,237	
		100,100,201	
Less			
1. Shares in other NBFC's		=	
2 Sharen debentures hands outstanding loons and advances including his purchase and			
2. Shares, debentures, bonds, outstanding loans and advances including hire purchase and			
lease finance made to and deposits with subsidiaries and companies in the same group			
exceeding 10% of owned fund. Tier I Capital		160,708,237	
Tier i Capital		100,700,237	
Tier II Capital			
Add:			
1. Non convertible preference shares	=		
2. revaluation reserve at discounted rate of 55%	=		
3. General provisions and loss reserves to the extent of (1&1/4)% of risk weighted assets.	6,081,577		
4. Hybrid debt and capital instruments	40,000,000		
5. Subordinated debt	9		
To the extent the discounting value does not exceeding 50% of Tier-I Capital	-		
	46,081,577		
Limited to the extent of Tier I and II for the pupose of capital adequecy (the total Tier II		40.004.533	
capital Shall not exceed 100% of Tier I)		46,081,577	
Tier II Capital		46,081,577	
Total of Tier I & Tier II Capital			206,789,814
Total of Tier II Capital			200,700,014
Asset particulars	Amount	% of weight	Risk adjusted
			amount
Cash and Bank balances including fixed deposits and certifictes of deposits with bank	843,164	0%	*
Fixed Deposits pledged with Banks	32,565,854	0%	-
Investments	-	0%	
Trade Receivable under Financing Activity	608,157,684	100%	608,157,684
Fixed assets net of depreciation	3,006,031	100%	3,006,031
Other assets a) TDS income tax (net of provision)		00/	
b) Advance tax (net of provision)		0% 0%	-
C) Staff Advance	2,305,089	0%	_
C) Others to be specified	19,398,240	100%	19,398,240
a, aa.a.a.a.a.a.a.a.a.a.a.a.a.a.a.a.a	.5,555,240	10076	10,000,240
Total risk weighted assets	666,276,062		630,561,955
CAR			32.79%
The state of the s			

	M/s. VIRUTCHAM MICROFI C50,Gurudev Nagar,Byepass Road,Avaniyapura		adu-625012	
	Qualifying Assets			
S. No.	Particulars	>		%
Α.	Net Assets of the Company:			
	1 Total Assets as per Balance Sheet		668,446,315	
	Less:		000,440,513	
	2			
	Cash & Bank balances and financial Institutions,			
	government securities and money market instruments			
	(a) Cash on hand	348,308		
	(b) Balances with banks	-		
	(i) In current accounts	494,856		
	(,,	,		
		-	843,164	
		H		
	Net Assets of the Company (1-2)	-	667,603,152	
	Qualifying Assets:	-		
	Trade receivables under Financing Activity	_		
	(i) Current	345,839,802		
	(ii) Non-Current	262,317,882		
	(ii) iiiii	_0_,0,0 0_		
		-		
	Total Qualifying Assets (1+2)		608,157,684	
		-		
	Qualifying Assets Ratio			91.10
	3			
	Income Generation Loan	_	608,157,684	
	The second all of Local	-	300,107,004	
	Ratio of Income Generation Loan to Total Loan			100

Deferred Tax	Deferred Tax Asset as on 31st March, 2020								
S. No.	<u>Particulars</u>	Depreciation	<u>Depreciation</u>	<u>Timimg</u>	<u>Opening</u>	<u>Closing</u>	Charge to PL		
		as per IT act	as per Co. Act	<u>Difference</u>	(DTL)/DTA	(DTL)/DTA			
4									
1	Fixed Assets	1,042,612	1,403,071	360,459		93,719.33	93,719		
2	Provision on doubtful advances		1,884,702	1,884,702		490,022.61	490,023		
3	Bad debts written off	965,207		(965,207)		(250,954)	(250,954)		
					Closing	332,788			
					Opening				
					5/85/ 5/86				
					Charge to PL	332,788			

NOTE 9 FIXED ASSETS AS AT MARCH 31, 2020 C50, Gurudev Nagar, Byepass Road, Avaniya puram, Madurai, Tamil Nadu-625012

(Amount in ₹)

Gross Block Depreciation									Net Block		
or.			Gross B	IOCK			Depreci	ation		Ne	t Block
SI. No.	Particulars	Cost as at 01-04-2019	Additions	Deductions	Cost as at 31- 03-2020	Upto 31-03-2019	Depreciation for the Year	On Deduction	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
A. Tangible Assets											
1	(a) Furniture and Fixtures Owned	1,862,303	399,001	-	2,261,304	739,485	201,904	-	941,389	1,319,915	1,122,818
2	(b) Computers Owned	2,113,714	811,668	-	2,925,382	1,817,677	839,662	¥	2,657,339	268,043	296,037
3	(c) Air conditioner Owned	475,683	52,152	-	527,835	298,604	91,194	-	389,799	138,036	177,079
4	(d) Plant and Machinery Owned	238,916	36,778	-	275,694	30,399	25,142	-	55,541	220,153	208,517
5	(e) Vehicle Owned	91,023	1,056,500	14,000	1,133,523	21,358	52,281	-	73,639	1,059,884	69,665
Total Tan	ngible Assets (A)	4,781,639	2,356,099	14,000	7,123,738	2,907,523	1,210,184		4,117,707	3,006,031	1,874,116
	ible Assets Software	1,928,865	ē	-	1,928,865	998,877	192,887	÷	1,191,764	737,101	929,988
Total Inta	Total Intangible Assets (B)			-	1,928,865	998,877	192,887	-	1,191,764	737,101	929,988
Total Ass	Total Assets (A + B)		2,356,099	14,000	9,052,603	3,906,400	1,403,071	-	5,309,471	3,743,132	2,804,104
Previous	Year	5,570,419	1,140,085	-	6,710,504	2,802,875	1,103,525	-	3,906,400	2,804,105	2,767,545

VIRUTCHA	M MICRO FINANCE LIMITE	D								Annexure 1
C50,Gurude	v Nagar,Byepass Road,Avaniya	puram , Mad	urai, Tamil Nadu	-625012				PY		2019 - 2020
								AY		2020 - 2021
Clause 14 - A	annexure Form 3CD									
Depreciation	as per Income Tax Act, 1961									
			WDV as at	Additions	Additions	Depreciation	Depreciation	Depreciation	n Deletions	WDV as at
Sl No	Asset Category	et Category Rate	31/ 03/ 2019	>= 180 Days	s < 180 Days > 180 Day	> 180 Days < 180 Days			31/ 03/ 2020	
			02.00.2020	(April - Sep)	(Oct - Mar)	200 2 000	200 2 00 2			32 33 232
1	(a) Furniture and Fixtures									
	Owned	10	950,404	319,919	79,082	127,032	3,954	130,986	-	1,218,419
2	(b) Computer									
	Owned	40	62,531	660,517	151,151	289,219	30,230	319,449	(5)	554,750
3	(c) Air Conditioner				, ,					
	Owned	15	419,224		52,152	62,884	3,911	66,795		404,581
4	(d) Software									
	Owned	40	1,009,716			403,886	-	403,886	-	605,830
5	(e) Vehicles									
	Owned	15	31,853	56,500	1,000,000	13,253	75,000	88,253	14,000	986,100
6	(f) Plant & Machinery									
	Owned	15	187,512	31,439	5,339	32,843	400	33,243		191,047
	Total		2 661 240	1 068 375	1 987 794	929 117	113 495	1 049 619		3 960 727

Assessee's Name	:	M/s. VIRUTCHAM MICROFINANCE LTD.,	Status	:	LIMITED COMPANY
Date of Incorporation	:	08.07.2008	Asst. Year	:	2020-21
Nature of Business	:	MICRO FINANCE	P.A.N	:	AACCV9529Q
Address	:	C50,Gurudev Nagar, Bye Pass road,Avaniyapuram,	I.T.Juri	:	COMPANY WARD
		Madurai, Tamil Nadu-625012	Period Ending	:	31.03.2020
		STATEMENT OF TOTAL INCOME			
			(Amount in ₹))	(Amount in ₹)
INCOME FROM BUSI	NESS				
Net Profit as per Profit	& Loss A/c.				16,358,995

	STATEMENT OF TA	XES		
		(Amount in	₹) (Amount in ₹)	
I .Tax due U /s. 115-BAA @ 22%				3,922,701
Net Tax Payable				3,922,701
TablE	1 C			2.022.501
Add: Surcharge @10% on above	ax and Surcharge Payable			3,922,701 392,270
Add. Surcharge @10 % on above				4,314,971
Add: Education & Higher Education Ce	ess@4% on above			172,599
0	harge and Education Cess Payable			4,487,570
,	9			,
Less: Prepaid Taxes:				
(A) MAT Credit Set off			-	
(B) Tax deducted at source				
U.s. 194 - Bank Interest		-07 Season 17	7 (55 (65) (46 ° 65)	
(C) Advance Tax:		3,300,0	00.00	
				3,300,000
Balance tax payable				1,187,570
Add: Interest for :	U.s. 234 - A			
	U.s. 234 - A U.s. 234 - B			
	U.s. 234 - C			
	0,6. 201			
Total Tax and Interest Payable				1,187,570
√				
Less: Tax on Self-Assessment U/s. 140-A	A			-
BALANCE TAX AND INTEREST PAY	(ABLE/(REFUND DUE)			1,187,570
In Accordance with our Report attached For ANBALAGAN & CO		For and on behalf of the E	Board of Directors	
CHARTERED ACCOUNTANTS				
FRN No: 011394S	SOOSAI CHARLES 13. parties regarding 2003AC 1988 25 3E 30664. 14. parties regarding 2003AC 1988 25 3E 30664.	Superior repr	agreefits for our disparent Askers -th count of the victor	Chapterly ungles in term (MERITANIAN) 344-5605.
N States for an information death and an information of the state of t	SELVARAJ	Devesahay am Asokan arkan The state of the s	ON CHE OFFICIAL procedures and the procedure of the proce	
N.ANBALAGAN,	CHARLES SELVARAJ	DEV ASO	KAN KIRTH	II SHARMA
PROPRIETOR	MANAGING DIRECTOR	CHAIRMA		
M.No: 019503 Place: MADURAI		Place : MADU		M.NO.26100
Date : 31.08.2020		Date : 31.08.20		

Microcredit Changes Lives - Success Stories

Mrs. Sajitha Beevi, Thuckalay - Kanyakumari

Mrs. Sajitha Beevi is from a village called Saralvilai in Kanyakumari District. She was looking for to start an income generation activity to earn additional income to meet the household expenses. She availed INR 30,000 from Virutcham Microfinance Limited. She purchased grinders from the loan amount. She earns money by grinding flour for others and also she is doing flour business. Since the business can be run from the home along with household chores, she preferred the business. She has 4 grinders, now. The income from the business was a good supplementary income for the family. She and her family members are happier now.



Mrs. Latha, Karikkakam - Thiruvananthapuram



Mrs.Latha from – Karikkakam, Thiruvananthapuram is having a stitching centre of her own, stitching and selling of nighty and other essential dresses are her main source of income. From the loan amount Rs.30, 000/- received from Virutcham Microfinance Limited. She expanded her venture. Now she is teaching tailoring to 4 girls in her locality. This helps her to eradicate her poverty and leads to economic development of her family. Monthly earning of Rs.10, 000/ really increased the standard of living of her family.

Mrs. Priya, Urapakkam - Chennai

Mrs. Priya from Ambethkar Nagar 3, Urapakkam - Chennai got a loan of Rs.30,000/- from Virutcham Microfinance Limited and she started to sell fish. After 6 months she got a top up loan of Rs. 25,000/-. With this money she started a small fish shop. She earns monthly income Rs.10,000/-. Through this income she fulfils her family needs. She is thankful to Virutcham Microfinance Limited.



Mrs. Jegadeeswari, Urapakkam - Chennai



Mrs. Jegadeeswari from Mulakalani, Urapakkam-Chennai got a loan of Rs.30,000 from Virutcham Microfinance Limited and she started a Tender coconut shop. Through this business she earns Rs.3,500 per month .This income is helpful to run her family. She is thankful to Virutcham Microfinance Limited. She is in need of additional loan to extend her business.

Mrs. Priya, Kavankulathur - Thiruvallur

Mrs.Priya from Mettu theru Kavankulathur 1, Tiruvallur was a housewife she was not able to manage with her husband's income; she decided to start a business. So she got a loan of Rs. 30,000/- from Virutcham Microfinance Limited. She bought clothes and sells it, from this small business she earns nearly Rs. 5,000/- per month. Her husband earns Rs.12,000/- she utilizes his income for family expenses, and she utilizes her income to pay the EMI and the tuition fees of the children.



Mrs. Revathi, Erayur - Tiruvallur



Mrs.Revathi from Bajanai Kovil Street, Erayur - Tiruvallur had two cows and sells milk. She earned Rs. 3,000/- per month. This low income was not enough. So she got a loan from Virutcham Microfinance Limited and with that loan amount she bought 3 more cows. Since she has 3 more cows, she is able to sell more milk. She gets an income of Rs. 5,000/- a month. With this income she is able to manage her day to day expenses.

Mrs. Maheswari, Vadakankulam - Kavalkinaru



Mrs. Maheswari is from **Vadakankulam - Kavalkinaru** was doing Snacks (Murukku) business. She was earning Rs.3,000/- per week. To improve her business she bought loan from Virutcham Microfinance Limited. She invested the loan amount which she bought from Virtucham Microfinance Limited for production of more Murukku (Snacks). Now she is earning up to Rs. 7,000/- per week. She is able to manage the family expenses and leading a happy family life.

Mrs. Arifa, Pavumba - Ochira

Mrs. Arifa from **Pavumba, Ochira** got a loan of Rs.30,000 from Virutcham Microfinance Limited and she started to sell eggs. She got a good income by selling eggs. With this income she is able to support her family and manage the expenses.



Mrs. Shalini - Thiruvananthapuram



Mrs. Shalini from Rajaji Nagar, Thiruvananthapuram lives with the low income of her husband and it was not enough to meet the daily expenses of her family. So she decided to do some business; borrowed a loan of Rs.30,000/- from Virutcham Microfinance Limited and bought a push cart and started selling vegetables in Rajaji Nagar. Now she gets an income of Rs. 13,000/- per month. With this income she is self sufficient and is able to meet all her expenses.



Board Meeting



Appraisal SBI



Get together of Director & well-wishers



Interaction with Clients



Loan Disbursement in Branch Office



Staff Pledge in Branch Office



Review of Activities in Branch Office



Fun Time

