

M/s. VIRUTCHAM MICROFINANCE LTD.,
Dr.Ambedkar Cultural Academy, Mandela Nagar, PTC Post, Madurai, Tamil Nadu-625022
Balance Sheet as at 31st March 2013

Particulars	Notes	As at 31.03.2013 Amount in ₹	As at 31.03.2012 Amount in ₹
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUND			
Share Capital	3	29,212,200.00	23,751,200.00
Reserves and Surplus	4	1,479,720.41	568,676.78
		<u>30,691,920.41</u>	<u>24,319,876.78</u>
NON-CURRENT LIABILITIES			
Long term borrowings	5	2,105,286.00	5,888,786.00
Deferred Tax Liability (Net)	24	155,308.18	122,780.00
Long Term Provisions	6	16,327.15	7,841.84
		<u>2,276,921.32</u>	<u>6,019,407.84</u>
CURRENT LIABILITIES			
Short Term Borrowings	7	2,840,000.00	2,840,000.00
Other Current Liabilities	8	5,352,693.39	5,057,410.30
Short Term Provisions	9	120,625.02	313,049.51
		<u>8,313,318.41</u>	<u>8,210,459.81</u>
Total		<u>41,282,160.14</u>	<u>38,549,744.43</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
-Tangible Assets	10	865,097.28	692,498.10
Long Term Loans and Advances	11	393,400.00	191,000.00
Other Non-Current Assets	12	6,530,859.04	3,130,734.78
		<u>7,789,356.32</u>	<u>4,014,232.88</u>
CURRENT ASSETS			
Trade Receivables- Under Financing Activity	13	29,705,609.00	32,097,004.21
Cash And Cash Equivalents	14	3,249,441.49	1,859,569.10
Short Term Loans and Advances	15	336,084.00	367,420.00
Other Current Assets	16	201,669.33	211,518.24
		<u>33,492,803.82</u>	<u>34,535,511.55</u>
Total		<u>41,282,160.14</u>	<u>38,549,744.43</u>
Significant Accounting Policies and Notes to Financial Statements form an integral part of the Balance Sheet			

In Accordance with our Report attached
For ANBALAGAN & CO.,
 CHARTERED ACCOUNTANTS
 FRN No: 011394S

For and on behalf of the Board of Directors

N. ANBALAGAN
 M.No: 019503

(M. JESUDASAN)
 Chairman

(L. ISITHORE)
 Managing Director

Place : MADURAI
 Date : 21/06/2013

Place : MADURAI
 Date : 21/06/2013

M/s. VIRUTCHAM MICROFINANCE LTD.,
Dr.Ambedkar Cultural Academy, Mandela Nagar, PTC Post, Madurai, Tamil Nadu-625022
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Notes	For the year ended 31.03.2013	For the year ended 31.03.2012
		Amount in ₹	Amount in ₹
INCOME			
Revenue from Operations	17	7,955,025.05	8,425,088.99
Other Income	18	317,855.09	41,742.53
TOTAL REVENUE (A)		8,272,880.14	8,466,831.52
EXPENSES			
Finance costs	19	1,928,064.84	1,766,001.00
Employee benefits expense	20	2,270,596.00	1,835,067.00
Administration expenses	21	2,650,888.86	2,804,625.10
Depreciation and amortization expense	10	140,400.82	101,893.32
Provisions/Write off for receivables under Financing Activity		2,521.82	27,177.40
TOTAL EXPENSES (B)		6,992,472.34	6,534,763.82
Profit before exceptional and extraordinary items and tax (A) - (B)		1,280,407.80	1,932,067.70
Less: Exceptional items		-	-
Profit before extraordinary items and tax		1,280,407.80	1,932,067.70
Less: Extraordinary items		-	-
PROFIT BEFORE TAX		1,280,407.80	1,932,067.70
Less: Tax Expenses			
(a)Current Tax		251,037.00	386,691.00
(b)MAT Credit		118,162.00	(30,932.00)
(c)Deferred Tax		32,528.18	13,610.00
(d)(Excess) Tax provision for earlier years		-	369,369.00
PROFIT AFTER TAX		878,680.63	1,562,698.70
Earnings per share Rs. and diluted (Face value of Rs.10 each)	22	0.36	0.69
Significant Accounting Policies and Notes to Financial Statements form an integral part of the Balance Sheet			

In Accordance with our Report attached
For ANBALAGAN & CO.,
 CHARTERED ACCOUNTANTS
 FRN No: 011394S

For and on behalf of the Board of Directors

N. ANBALAGAN
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(M. JESUDASAN)
 Chairman

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 Managing Director

Place : MADURAI
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M/s. VIRUTCHAM MICROFINANCE LTD.,
Dr.Ambedkar Cultural Academy, Mandela Nagar, PTC Post, Madurai, Tamil Nadu-625022
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2012	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax	1,280,407.80		1,932,067.70	
<u>Adjustments for:</u>				
Depreciation and amortisation	140,400.82		101,893.32	
Amortisation of Preliminary Expenses	51,920.00		51,920.00	
Provisions/Write off for receivables under Financing Activity	2,521.82		27,177.40	
Profit/Loss on fixed assets sold	-		10,462.40	
Operating profit / (loss) before working capital changes		1,475,250.45		2,123,520.82
<u>Changes in working capital:</u>				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	2,391,395.21		(7,734,224.21)	
Short-term loans and advances	(54,463.00)			
Long-term loans and advances	(202,400.00)		(70,669.00)	
Other current assets	(42,071.09)		(34,710.03)	
Other non-current assets	(3,400,124.26)	(1,307,663.14)	(3,136,734.78)	(10,976,338.02)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Other current liabilities		321,959.09		5,732.30
Cash flow from extraordinary items		-		-
Cash generated from operations		489,546.39		(8,847,084.90)
Net income tax (paid) / refunds		(437,498.00)		(240,679.00)
Net cash flow from / (used in) operating activities (A)		52,048.39		(9,087,763.90)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(313,000.00)		(215,671.00)	
Proceeds from sale of fixed assets	-	(313,000.00)	2,500.00	(213,171.00)
Cash flow from extraordinary items		-		-
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) investing activities (B)		(313,000.00)		(213,171.00)
C. Cash flow from financing activities				
Proceeds from issue of equity shares	5,461,000.00		1,327,500.00	
Proceeds from long-term borrowings	-		10,000,000.00	
Repayment of long-term borrowings	(3,810,176.00)		(4,711,614.00)	
Proceeds from other short-term borrowings	-	1,650,824.00	2,840,000.00	9,455,886.00
Net cash flow from / (used in) financing activities (C)		1,650,824.00		9,455,886.00
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		1,389,872.39		154,951.10
Cash and cash equivalents at the beginning of the year		1,309,569.10		1,704,618.00
Cash and cash equivalents at the end of the year		2,699,441.49		1,859,569.10

Note:

(i) The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 Cash Flow Statements.

(ii) Cash & cash equivalents at year end includes Rs. 5,50,000/- (PY: Rs. 5,50,000/-) in term deposits with banks, under lien against loans availed by the Company.

(iii) Refer Note: 14 for items included in cash & cash equivalents.

In terms of our report attached.

For and on behalf of the Board of Directors

For ANBALAGAN & CO.,
CHARTERED ACCOUNTANTS
FRN No: 011394S

N. ANBALAGAN
M.No: 019503

(M. JESUDASAN)
Chairman

(L. ISITHORE)
Managing Director

Place : MADURAI
Date : 21/06/2013

Place : MADURAI
Date : 21/06/2013

Note No.	PARTICULARS
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1 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.

The registered office of the company is located at Dr.Ambedkar Cultural Academy, Mandela Nagar, PTC Post, Madurai, Tamil Nadu-625022.

The Company is engaged in extending Micro credit to economically active persons. The Company generally provides small value collateral free loans upto Rs. 20,000 for a tenor of 24 Months with Monthly repayment. The Company broadly follows the **Self-Help Group model , where each member of the group guarantees the loan repayment of the other members of the group.** All transactions are conducted in the group meetings organised every Month near the habitats of the members.

The Operations of the Company is concentrated within the State of Tamilnadu.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 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 financials statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis and the directions issued by the Reserve Bank of India to the extent applicable to the Company.

2.2 Use of estimates

The preparation 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 and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from those estimates.

2.3 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.

2.4 Cash flow statement

Cash flows are prepared in accordance with the indirect method prescribed in Accounting Standard-3.

2.5 Fixed Assets

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.

2.6 Depreciation and amortisation

(i) Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Class of fixed assets	
Furniture & Fixtures	6.33%
Computers	16.21%
Air Conditioner	4.75%

(ii) Depreciation on additions is charged proportionately from the date of acquisition/installation.

(iii) Individual assets costing less than Rs. 500/- are depreciated in full, in the year of acquisition.

2.7 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.

2.8 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.

Revenues from loan documentation and meeting charges are recognised as income on cash basis.

Note No.	PARTICULARS
2.9 Other income	
	Bank Deposit Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.
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. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.
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. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.
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. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability. Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.
2.14 Preliminary Expenses	
	Preliminary Expenses are written off in five years from the commencement of commercial operations.

M/s. VIRUTCHAM MICROFINANCE LTD.,
Dr.Ambedkar Cultural Academy, Mandela Nagar, PTC Post, Madurai, Tamil Nadu-625022

Note No. NOTES TO THE FINANCIAL STATEMENTS

3 SHARE CAPITAL :

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number of Shares	Amount in ₹	Number of Shares	Amount in ₹
Authorised :				
Equity shares of Rs.10/- each	3000000	30,000,000.00	3,000,000	30,000,000.00
Issued, subscribed and fully paid up				
Equity Shares of Rs.10/-, each, fully paid up	2,921,220	29,212,200.00	2,375,120	23,751,200.00
Total	2921220	29,212,200.00	2,375,120	23,751,200.00

Notes :

(i) The reconciliation of the number of shares outstanding and the amount of share capital as at 31st March, 2013 and 31st March, 2012 is set out below.

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Balance at the beginning of the year	2,375,120	23,751,200.00	2,242,370	22,423,700.00
Add:				
Shares issued during the year	546,100	5,461,000.00	132,750	1,327,500.00
Balance at the close of the year	2,921,220	29,212,200.00	2,375,120	23,751,200.00

(ii) Particulars of Shareholders holding more than 5% share in the Company

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	%	No. of Shares	%	No. of Shares
REV.FR.DENZIL RAJA	12.33%	360,100	14.99%	356,100
M/s. MASS TRUST- MADURAI	12.33%	360,100	8.42%	200,000
Mr.STEPHEN P	10.27%	300,000	10.53%	250,000
M/S. STAR TRUST - JEYANKONDAM	9.83%	287,200	12.00%	285,000
Mr.ISITHORE L	5.13%	150,000	0.00%	-
SR XAVIER MARIA THANGAM	1.71%	50,000	8.42%	200,000

4 RESERVES & SURPLUS

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
(a) Statutory Reserves - (Refer Note Below)		
As per beginning of reporting period	429,920.49	117,380.75
ADD: Additions/ transfers during the year	175,736.13	312,539.74
LESS: Utilisations/ transfers during the year	-	-
As per the end of the reporting period	605,656.62	429,920.49
Surplus i.e. balance in Statement of Profit & Loss		
As per beginning of reporting period	138,756.29	(1,189,141.67)
Add: Transferred from Profit and Loss Account	878,680.63	1,562,698.70
Pervious year MAT Credit (F Y : 2010-11)	32,363.00	77,739.00
Less: Transferred to Statutory Reserve	(175,736.13)	(312,539.74)
As per the end of the reporting period	874,063.79	138,756.29
Closing Balance	Total	568,676.78
		1,479,720.41

Note :

1. The Company has transferred 20% of profit after tax to the Statutory Reserve in accordance with the provision of section 45-IC of Reserve Bank of India Act, 1934.

M/s. VIRUTCHAM MICROFINANCE LTD.,
Dr.Ambedkar Cultural Academy, Mandela Nagar, PTC Post, Madurai, Tamil Nadu-625022

Note No. **NOTES TO THE FINANCIAL STATEMENTS**

5 LONG TERM BORROWINGS

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Secured		
- Term Loan from Banks		
(a) SIDBI	771,400.00	2,311,000.00
(b) TMB	303,886.00	3,577,786.00
- Others		
Non Convertible Debentures	1,030,000.00	-
Total	2,105,286.00	5,888,786.00

Notes:

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security	As at 31st March, 2013		As at 31st March, 2012	
		Secured	Unsecured	Secured	Unsecured
		₹	₹	₹	₹
Term Loan from Banks					
(a) SIDBI	Secured by Fixed Deposits & Microfinance Loan and repayable in monthly installments after an initial moratorium of 6 months. Total tenure of the loan is 4 Years	771,400.00	-	2,311,000.00	-
(b) TMB	Secured by Microfinance Loan and repayable in monthly installments. Total tenure of the loan is 3 Years	303,886.00	-	3,577,786.00	-
Others					
Non Convertible Debentures	The book debts and receivables of the company at its head office and all of its branches throughout the country	1,030,000.00	-	-	-
Total - Term loans from banks		1,075,286.00	-	5,888,786.00	-

(ii) Details of long-term borrowings guaranteed by some of the directors or others:

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Term loans from banks		
(a) SIDBI	771,400.00	2,311,000.00
(b) TMB	303,886.00	3,577,786.00

(iii) For the current maturities of long-term borrowings, refer Note 8 Other current liabilities.

6 LONG TERM PROVISIONS

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Provision - Others:		
Contingent Provisions against Standard Assets (Refer Note 24)	16,327.15	7,841.84
Total	16,327.15	7,841.84

M/s. VIRUTCHAM MICROFINANCE LTD.,
Dr.Ambedkar Cultural Academy, Mandela Nagar, PTC Post, Madurai, Tamil Nadu-625022

Note No. **NOTES TO THE FINANCIAL STATEMENTS**

7 SHORT TERM BORROWINGS

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Loans repayable on demand		
a. Secured Loans from Bank		
TMB Bank	2,840,000.00	2,840,000.00
Total	2,840,000.00	2,840,000.00

NOTE :

(i) Details of security for the secured short-term borrowings:

Particulars	Nature of security	As at 31st March 2013	As at 31st March 2012
		₹	₹
Loans repayable on demand			
Secured Loans from Bank	Secured by Third Parties		
TMB Bank	Fixed Deposits	2,840,000.00	2,840,000.00
Total - from banks		2,840,000.00	2,840,000.00

8 OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Current maturities of long term debt (Refer Note: (i) below)	4,872,924.00	4,899,600.00
Apparent Infotech Pvt Ltd	50,000.00	-
Statutory Payables -		
Payable towards TDS under Income tax (Including Interest on Non-remittance of TDS)	24,790.44	5,295.00
Other Payables:		
Audit Fees Payable	168,787.40	84,403.00
Other Professional Fees Payable	51,124.00	23,710.00
Insurance Payable	185,067.55	43,542.30
Others	-	860.00
Total	5,352,693.39	5,057,410.30

Note :

(i) **Current maturities of long-term debt (Refer Notes (i) and (ii) in Note 5 - Long-term borrowings for details of security and guarantee):**

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
- Term Loan from Banks		
a. Secured Loans from Bank		
(a) SIDBI	1,539,600.00	1,539,600.00
(b) TMB	3,333,324.00	3,360,000.00
Total	4,872,924.00	4,899,600.00

9 SHORT TERM PROVISIONS

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Provisions for employee benefits	-	-
Provision - Others		
Provision for Income Tax (Net of Advance Tax of Rs 2,00,000/- & TDS Rs.4,676/-)	46,361.00	232,822.00
Contingent Provisions against Standard Assets (Refer Note 24)	74,264.02	80,227.51
Total	120,625.02	313,049.51

M/s. VIRUTCHAM MICROFINANCE LTD.,
Dr.Ambedkar Cultural Academy, Mandela Nagar, PTC Post, Madurai, Tamil Nadu-625022

Note : 10 FIXED ASSETS (AS PER COMPANIES ACT)

Tangible Assets	Balance as at 1 April, 2012 ₹	Additions ₹	Disposals ₹	Balance as at 31 March, 2013 ₹	Rate %	Balance as at 1 April, 2012 ₹	Depreciation / amortisation expense for the year ₹	Eliminated on disposal of assets ₹	Balance as at 31 March, 2013 ₹	Balance as at 31 March, 2013 ₹	Balance as at 31 March, 2012 ₹
(a) Furniture											
Owned	398,891.00	14,950.00	-	413,841.00	6.33%	52,467.24	26,706.06	-	79,173.30	334,667.70	346,423.76
(b) Computer											
Owned	502,862.00	298,050.00	-	800,912.00	16.21%	178,892.84	112,483.51	-	291,376.35	509,535.65	323,969.16
(c) Air											
Owned	25,500.00	-	-	25,500.00	4.75%	3,394.82	1,211.25	-	4,606.07	20,893.93	22,105.18
Total	927,253.00	313,000.00	-	1,240,253.00		234,754.90	140,400.82	-	375,155.72	865,097.28	692,498.10
Previous year	730,082.00	215,671.00	(18,500.00)	927,253.00		138,399.18	101,893.32	(5,537.60)	234,754.90	692,498.10	591,682.82

Note No. NOTES TO THE FINANCIAL STATEMENTS

11	Particulars	As at 31st March 2013	As at 31st March 2012
		₹	₹
	Capital advances		
	-Unsecured, considered good	300,000.00	80,000.00
	Security deposits		
	-Unsecured, considered good	83,400.00	101,000.00
	Prepaid expenses - Unsecured, considered good	10,000.00	10,000.00
	Total	393,400.00	191,000.00
12	OTHER NON-CURRENT ASSETS		
		As at 31st March 2013	As at 31st March 2012
		₹	₹
	Long-term trade receivables		
	Unsecured, considered good	6,530,859.04	3,130,734.78
	Total	6,530,859.04	3,130,734.78
13	TRADE RECEIVABLES - Under Financing Activity		
		As at 31st March 2013	As at 31st March 2012
		₹	₹
	(a) Outstanding for a period less than six months from the date they were due for payment		
	Unsecured, Considered good	29,705,609.00	32,097,004.21
	(b) Outstanding for a period exceeding six months from the date they were due for payment		
	Unsecured, Considered good	-	-
	Total	29,705,609.00	32,097,004.21
14	CASH AND CASH EQUIVELENTS		
		As at 31st March 2013	As at 31st March 2012
		₹	₹
	(a) Cash on hand	366,837.35	12,208.10
	(b) Balances with banks		
	(i) Current Accounts	2,332,604.14	1,297,361.00
	(ii) In deposit accounts		
	(a) Other Balances (Refer Note below)	550,000.00	550,000.00
	Total	3,249,441.49	1,859,569.10
	Of the above, the balances that meet the definition of Cash & Cash equivalents as per AS 3 - Cash Flow Statements is	2,699,441.49	1,309,569.10
	NOTE : Balance with banks include Fixed Deposit (Pledged) amounting to Rs. 5,50,000/-		
15	SHORT-TERM LOANS AND ADVANCES		
		As at 31st March 2013	As at 31st March 2012
		₹	₹
	Employee Advance	313,212.00	258,749.00
	MAT credit entitlement	22,872.00	108,671.00
	Total	336,084.00	367,420.00
16	OTHER CURRENT ASSETS		
		As at 31st March 2013	As at 31st March 2012
		₹	₹
	(a) Unamortised expenses		
	(i) Preliminary Expenses		
	Opening Balance	155,760.00	207,680.00
	Less: Written off during the year	51,920.00	51,920.00
		103,840.00	155,760.00
	(b) Accruals		
	(i) Interest accrued on deposits	97,346.83	55,309.74
	(c) Inventories		
	(i) Stamps	482.50	448.50
	Total	201,669.33	211,518.24

Note No. NOTES TO THE FINANCIAL STATEMENTS

17 REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	₹	₹
Sale of services	7,955,025.05	8,425,088.99
Total	7,955,025.05	8,425,088.99

18 OTHER INCOME

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	₹	₹
Interest Income on Bank Deposits	46,713.09	39,933.53
Processing Fees	25,167.00	-
Miscellaneous Income	245,975.00	1,809.00
Total	317,855.09	41,742.53

19 FINANCE COSTS

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	₹	₹
Interest on Bank borrowings	1,926,517.00	1,766,001.00
Interest on Non-Remittance of TDS	1,547.84	-
Total	1,928,064.84	1,766,001.00

20 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	₹	₹
Salaries and wages	2,270,596.00	1,469,665.00
Director's Remuneration	-	362,000.00
Staff welfare expenses	-	3,402.00
Total	2,270,596.00	1,835,067.00

21 ADMINISTRATION EXPENSES

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	₹	₹
Bank charges	4,557.11	9,589.00
Printing & Stationery	67,349.75	165,777.00
Postage & Courier Charges	18,146.00	18,638.50
Rent & Electricity Charges	225,220.00	208,021.00
Repairs and Maintenance:		
Computer	4,745.00	22,255.00
Office	42,641.00	33,823.00
Insurance	16,491.00	12,542.00
Communication expenses	133,836.00	103,118.00
Service Tax Expenses	19,776.00	
Service Charges	1,326,168.00	1,326,869.00
Travelling & Conveyance	475,761.00	456,133.50
Auditors remuneration (Refer Note: 21.1 below)	160,000.00	52,944.00
Meeting & Training Expenses	23,174.00	22,977.50
Fees to ROC	33,126.00	39,500.00
Grading Fees	-	241,330.00
Secretarial Fees	29,000.00	5,385.00
Loss on sale of fixed assets	-	10,462.40
Amortisation of preliminary Expenses	51,920.00	51,920.00
Miscellaneous expenses	18,978.00	23,340.20
Total	2,650,888.86	2,804,625.10

NOTE 21.1

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	₹	₹
Payments to the auditors comprises (net of service tax input credit, where applicable)		
Statutory audit	60,000.00	39,708.00
for Taxation matters	-	13,236.00
for Other services	100,000.00	-
Total	60,000.00	52,944.00

The fees disclosed above includes ₹1,00,000/- paid for services in connection with private placement of secured non-convertible debenture by the company

M/s. VIRUTCHAM MICROFINANCE LTD.,
Dr.Ambedkar Cultural Academy, Mandela Nagar, PTC Post, Madurai, Tamil Nadu-625022

Note
No. **NOTES TO THE FINANCIAL STATEMENTS**

22 Disclosures under Accounting Standard - 20

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
EARNINGS PER SHARE		
Basic		
22.a Continuing operations		
Net profit / (loss) for the year from continuing operations	878,680.63	1,562,698.70
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	878,680.63	1,562,698.70
Weighted average number of equity shares	2,465,329	2,257,020
Par value per share	10.00	10.00
Earnings per share from continuing operations - Basic	0.36	0.69
22.b Diluted		
The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.		
Continuing operations		
Net profit / (loss) for the year from continuing operations	878,680.63	1,562,698.70
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	878,680.63	1,562,698.70
Add: Interest expense and exchange fluctuation on convertible bonds (net)	-	-
Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)	878,680.63	1,562,698.70
Weighted average number of equity shares for Basic EPS	2,465,329	2,257,020
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	-	-
Weighted average number of equity shares - for diluted EPS	2,465,329	2,257,020
Par value per share	10.00	10.00
Earnings per share, from continuing operations - Diluted	0.36	0.69

23 Disclosures under Accounting Standard - 22

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	155,308.18	122,780.00
Tax effect of items constituting deferred tax liability	155,308.18	122,780.00
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	155,308.18	122,780.00

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

M/s. VIRUTCHAM MICROFINANCE LTD.,
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Note No. NOTES TO THE FINANCIAL STATEMENTS

**24 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 incur to meet such obligations, details of which are given below:

Particulars	As at 1 April, 2012	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31 March, 2013
	₹	₹	₹	₹	₹
Provision for receivables under Financing Activity	88,069.35 (60,891.95)	2,521.82 (27,177.40)	- -	- -	90,591.17 (88,069.35)
Total	88,069.35 (60,891.95)	2,521.82 (27,177.40)	- -	- -	90,591.17 (88,069.35)

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

Of the above, the following amounts are expected to be incurred within a year:

Particulars	As at 31 March, 2013	As at 31 March, 2012
	₹	₹
Provision for receivables under Financing Activity	-	-

25 Disclosure Pursuant to Reserve Bank of India Notification

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		₹	₹
Liabilities side :			
1	Loans and advances availed by the nonbanking financial company inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
	(a) Debentures : Secured	10.30	-
	Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	59.48	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Other Loans - Bank Loan repayable on Demand	28.40	-
	* 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		362.36

M/s. VIRUTCHAM MICROFINANCE LTD.,
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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) 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)		-
	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	
		Secured	Unsecured
			Total
	1. Related Parties **		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	-	362.36
	Total		362.36

**M/s. VIRUTCHAM MICROFINANCE LTD.,
Dr.Ambedkar Cultural Academy, Mandela Nagar, PTC Post, Madurai, Tamil Nadu-625022**

6	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)		
	Please see note 3 below		
	Category	Market value /Break up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties **		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	-	-
	Total	-	-
	** As per Accounting Standard of ICAI (Please see Note 3)		
7	Other information		
	Particulars	Amount	
(i)	Gross Non-Performing Assets		
	(a) Related parties		
	(b) Other than related parties		-
(ii)	Net Non-Performing Assets		
	(a) Related parties		
	(b) Other than related parties		-
(iii)	Assets acquired in satisfaction of debt		-

Note No. NOTES TO THE FINANCIAL STATEMENTS

26 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

26.1 Earnings in foreign currency - Rs. Nil (As at 31st March, 2012 - Rs. Nil)

26.2 Expenditure in foreign currency - Rs. Nil ((As at 31st March, 2012 - Rs. Nil)

26.3 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.

26.4 Loans & Advances

The company has not provided any kind of loans to its employees and Directors during the financial year.

26.5 Asset Classification & Provisioning

The Company follows Prudential Norms of Reserve Bank of India (RBI) with regard to classification in respect of all loans extended to its customers. Loans where the installment is overdue for a period of six months or more or on which interest amount remained overdue for a period of six months or more is treated as Non performing assets. Provision is made for loan assets as per the Company's policy which is same as per the provision required under the prudential norms.

Provisioning Norms			
Asset Classification	Period of overdues	Provision Policy of the Company	Provision as per RBI Prudential Norms
Standard Assets	Less than 6 months	0.25	0.25
Sub Standard Assets	Over 6 - 24 months	10	10
Doubtful Assets	Over 24 months	100	100
Loss Assets	As estimated	100	100

Classification of Loans and provision made for Standard/ Sub Standard/ Doubtful/ Loss assets are as given below:

Asset Classification							
S. No.	Nature of Asset	Loan outstanding without Provision			Provision		
		Amount	Totals	%	Rate	Amount	Totals
1	Standard						
	a) Regular	36,236,468.04	36,236,468.04	100%	0.25%	90,591.17	90,591.17
2	Sub standard						
	a) Three months to Six Months	-	-	-	10%	-	-
	b) Above Six Months	-	-	-	50%	-	-
3	Doubtful	-	-	-	100%	-	-
4	Additional Provision	As provided by the Management			0.00%	-	-
	Totals		36,236,468	100%			90,591.17
5	Add: Staff Loans		-				
	Total Portfolio		36,236,468				
6	Less: Managed Loans		-				
	Net Portfolio		36,236,468				

Write-Off Policy:

Loans are written off when the management has exhausted all options for recovery of Principal and interest on the loan which are overdue for a period of more than 3 years. There are no loans written off during the year under consideration.

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

(i) Capital to Risk asset ratio

Particulars	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
Tier I Capital	30,588,080.41	24,164,116.78
Tier II Capital	90,591.17	88,069.35
Total	30,678,671.58	24,252,186.13
Total Risk Weighted Assets	37,719,506.65	36,431,426.33
Capital Ratios		
Tier I Capital as percentage of Total Risk Weighted Assets (%)	81.09%	66.33%
Tier II Capital as percentage of Total Risk Weighted Assets (%)	0.24%	0.24%
Total Capital (%)	81.33%	66.57%

26.7 Statutory Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund 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.175736/- (Year ended 31 March, 2012 Rs. 3,12,540/-), out of the Net Profit after tax for the year ended 31st March 2013 to Statutory Reserve.

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

Assessee's Name	M/s. VIRUTCHAM MICROFINANCE LTD.,	Status	PUBLIC LIMITED COMPANY
Date of Incorporation	08.07.2008	P.A.NO.	AACCV9529Q
Nature of Business	MIRCOFINANCE	I.T.Jurisdiction	COMPANY WARD
Address	Dr.Ambedkar Cultural Academy, Mandela Nagar, PTC Post, Madurai. Tamil Nadu-625022	Asst.Year	2013-2014
		Year Ending	31 March 2013
AJM/VIR/XXX/2013-14		Date : 21/06/2013	
STATEMENT OF TOTAL INCOME			
INCOME FROM BUSINESS :			
Net Profit as per Profit & Loss A/c :			1,280,407.80
Add : Inadmissible Expenses :			
Depreciation as per Companies act			140,400.82
Provision for Standard Assets			8,325.00
Loss on Sale of Fixed Assets			-
	Sub-Total		1,429,133.62
Less : Admissible Expenses			
Depreciation as per Income Tax act			245,670.00
	GROSS TOTAL INCOME		1,183,460.00
STATEMENT OF BOOK PROFIT			
Net Profit as per Schedule VI Part II and Part III		1,280,407.80	
Add: Income Tax		-	
		1,280,407.80	
	BOOK PROFIT U/s 115-JB		1,280,410.00
STATEMENT OF TAXES			
I . Tax on Total Income			355,038.00
II . 18.5% of Adjusted Book Profit U/s. 115-JB			236,876.00
III . Tax Payable (higher of I and II above)			355,038.00
Add : Surcharge @ 5% on above			-
	Total Tax and Surcharge Payable		355,038.00
Add : Education cess @ 3% on above			10,651.00
	Total Tax Payable		365,689.00
Less: MAT Credit Set Off			118,162.00
	Sub-Total		247,527.00
Less: T.D.S as per Form-16 A		4,676.00	
Advance Tax		200,000.00	204,676.00
	Sub-Total		42,851.00
Add : Interest			
u/s 234 A		-	
u/s 234 B		1,712.00	
u/s 234 C		1,798.00	3,510.00
	Balance Tax Payable		46,360.00
For and on behalf of the Board of Directors			
(M. JESUDASAN) Chairman		(L. ISITHORE) Managing Director	
Place : MADURAI			
Date : 21/06/2013			

M/s. VIRUTCHAM MICROFINANCE LTD.,
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Statement Showing Depreciation as per The Income Tax Act, 1961

Tangible Assets	WDV as on 1 April, 2012	Additions 1st Half	Additions 2nd Half	Disposals	WDV as on 31 March, 2013	IT Rate	Depreciation	WDV as on 31 March, 2013	WDV as on 1 April, 2012
	₹	₹	₹	₹	₹	%	₹	₹	₹
(a) Furniture and Fixtures									
Owned	315,130.00	13,950.00	1,000.00	-	330,080.00	10%	32,958.00	297,122.00	315,130.00
(b) Computer									
Owned	82,555.00	238,050.00	60,000.00	-	380,605.00	60%	210,363.00	170,242.00	82,555.00
(c) Air Conditioner									
Owned	15,660.00	-	-	-	15,660.00	15%	2,349.00	13,311.00	15,660.00
Total	413,345.00	252,000.00	61,000.00	-	726,345.00		245,670.00	480,675.00	413,345.00
Previous year	346,102.00	177,120.00	38,551.00	2,500.00	559,273.00		145,928.00	413,345.00	346,102.00