



# LET'S EMBRACE THE NEW NORMAL

ANNUAL REPORT 2019-2020



**UNLOCK A NEW DOOR OF HAPPINESS**

To know more visit: [www.tattvafincorp.com](http://www.tattvafincorp.com)

TOLL-FREE NO: 1800 1202 0200

2020 has been an unfortunate year that witnessed the shattering of life and livelihood of a vast majority of people due to COVID-19, the global pandemic and various natural disasters. Many of the fast-paced and booming sectors faced downfalls, and on the other side, many new sectors emerged. In this changed situation, the employers and entrepreneurs are frantic and are trying hard to overcome the crises. The government's timely intervention and extension of all possible support to overcome this blow to the rapidly-growing Indian economy let out rays of reassurance and hope.

On the bright side, BFSI sector has slowly been witnessing credit off-take and improved repayment track. The lack of public transportation and safety concerns during this period has improved the market of two-wheelers, entry-level cars and used cars. Also, the announcement of big infrastructure projects and the news that it will provide more job opportunities for people is positive. Under the changed circumstances, the future of any NBFC will depend on the cost of fund and robust collection methods. To see better benefits in the forefront, the potential of IoT, AI and Digital Banking services should be effectively used in business development and collection. Besides, to reduce the cost of funds through NCD placement, we have to seek help from HNI/wealth management companies.

In FY 2021, through PE Market, Tattva is expecting to raise the capital to 500 million INR. By the optimum utilisation of CapEx/OpEx and consistency in EBITDA margins, we can undoubtedly say that we are a capital preserving model.

Over and above that, let us strongly hope that an effective vaccine against the pandemic that devastated the entire world will soon be available and believe that the world will step forward on the path of survival. Till then, let's together Embrace the New Normal!







'Tattva' in Sanskrit means principles, reality or truth. As per various Indian schools of philosophical thoughts 'Tattva' denotes an element or aspect of reality. It conveys a message of goodness and ultimate positive result.

Thus 'Tattva' embodies business principles...principles based on Law and Ethics along with Transparency and Accountability. It envisages the wellness of its stakeholders and responsible business is its hallmark.

Into the business, for just three years, it has made many market observers 'sit up and think'. The reason...its journey has been so remarkable. It has deviated from the conventional growth trajectories followed by market novices. It has peaked so early when others take years together. But we realize that the task at hand is not easy as to keep momentum requires greater will-power.

For a long journey called business, you have to have back-bag full of resources with strong limbs called finance. Till today, Business procedures and strategies we followed were ordinary, but we could execute them in extraordinary manner and that made us hog the limelight.

A vibrant market always witnesses disruptions....positive disruptions rather and who creates positive ripples gets noticed and leads the market. Being market leader is not a mean task and being at the top for long stint requires guts and grits. 'Tattva' is here for longer innings and for positive disruptions which will ultimately benefit the commoner on the street.



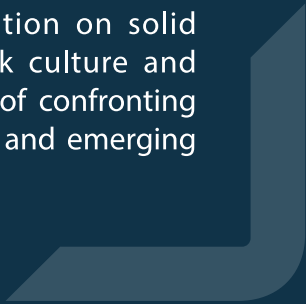


## **VISION**

To be a preferred brand in non-banking financial services and being an ideal destination for customer delight, quick processing, transparent dealings and value for money.

## **MISSION**

To build a professional organization on solid foundation with impeccable work culture and service orientation that is capable of confronting challenges of evolving world order and emerging customer needs from time to time



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## CORPORATE INFORMATION

Board of Directors	
Mr. C Vijayakumaran Nair	Managing Director
Mr. Amith Madhavan	Whole Time Director
Mr. PR Sathyanarayanan	Director
Mr. Sanal Venugopal Menon	Director
Mr. Natarajan Muthuraman	Independent Director

Key Managerial Personnel	
Mr. Sethumadhavan N	Chief Financial Officer
Mr. Shinumon KS	Company Secretary

Associate Directors and Regional Business Heads	
Mr. Suresh Kannan	Associate Director (Business Head)
Mr. Sasi Kumar SV	Associate Director (RBH-Madurai)
Mr. Saravana Kumar N	Associate Director (RBH- Coimbatore)
Mr. Dinesh K	Associate Director (Collections)
Mr. Rama Varma Raja KC	Associate Director (Legal & Recovery)
Mr. Benny KD	Associate Director (Internal Audit)
Mr. Rajendran P	Associate Director (Resource Mobilization)
Mr. GopinathVellalath	Associate Director (Process Audit)

We bank with						
IDFC First Bank	South Indian Bank	Federal Bank	IDBI	ICICI	State Bank of India	AU Bank

Registrar & Share Transfer Agent (RTA)	
SKDC Consultants Limited	Post Box No. 2016, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy Post, Coimbatore, TN - 641006

Our Branch Locations	
Name of the Branch	Address
<b>Thrissur</b>	2 <sup>nd</sup> Floor, Prasad Arcade, Patturaikkal, Thrissur, Kerala
<b>Pattambi</b>	1 <sup>st</sup> Floor, Vee Yes En Arcade, Perinthalmanna Road, Melepattambi, Palakkad, Kerala
<b>Palakkad</b>	1 <sup>st</sup> Floor, Ghanis, Fort Maidan, Palakkad, Kerala
<b>Ernakulam</b>	1 <sup>st</sup> Floor, Thomas Ikereth Square, Nr Metro Station, Company Padi, Aluva, Ernakulam, Kerala
<b>Thodupuzha</b>	First Floor, George Town, Vengalloor PO, Thodupuzha – Muvattupuzha Road, Thodupuzha, Kerala
<b>Chalakudy</b>	V & V Arcade, National Highway, Chalakudy, Kerala
<b>Coimbatore</b>	F-1, 1 <sup>st</sup> Floor, Balaji Castle No. 11, Father Randy Street, RS Puram, Coimbatore, Tamil Nadu
<b>Madurai</b>	2 <sup>nd</sup> Floor, No. 09 Bye Pass Road, Madurai, Tamil Nadu



## WORDS FROM MANAGING DIRECTOR



Dear shareholders,

It has been a privilege and pleasure for me to take you through our performance strides of business operations during financial year 2019-20. In fact, the year under review was quite turbulent and had many challenges for business operations across verticals and banking and non-banking activities were indeed tough and difficult to perform. In the beginning of the year economic slowdown and liquidity crisis were the major constraints where as in the last quarter unprecedented pandemic outbreak hit the market quite heavily. Perhaps, the world economy has been now passing through an un-parallel crisis situation due to the effect of Covid '19 virus outbreak, which is expected to be worst than post second world war situation in Europe and elsewhere. However, we have been quite successful to retain our growth momentum in every aspects of performance indicators, for which we are indebted to our dedicated and committed work force, channel partners and management team alike.

Looking at the prevailing adverse market situations we decided to hold back all our geographical and product line expansion plans for the time being. As a result we could open only just one new branch during the entire financial year and rest of the expansional schedules are kept in abeyance. However, we gave maximum stress for consolidation of our existing product lines and also made attempts to explore cross selling options. We offered personal loans to our existing two wheeler customers who are maintaining excellent repayment track record with us. I am happy to tell you that our experiment went off quite well and our personal loan portfolio has been performing quite well as of now.

In fact the pandemic outbreak has been an altogether different experience for the entire mankind. It has affected every aspect of personal life, social life and economic activities as well quite intensively across globe. No individual or country was exempted from the impact of the pandemic outbreak. Perhaps, the intensity may vary from person to person or country to country.

All are fighting for mere survival at the moment. Next step would be recovery phase and then only the growth momentum will start off. It seems that a full calendar year would get spoiled in the process, I suppose. It is also true that it has also taught us to be cautious and conscious about the future. Nothing is stable or constant in this world and everything can be toppled at any point of time. Even a simple virus or bacteria can make considerable damage to our life and surroundings, which we never thought off in the past. All our scientific, technological and materialistic advancements are just reduced to mere spectators in front of the pandemic outbreak.

While facing the challenges thrown by the unprecedented pandemic outbreak our risk appetite has grown many folds. I am sure it will empower us to take up higher risks days ahead. We are determined to move ahead with our original business plan after the current crisis situation gets over. It is quite tragic situation that many of very successful enterprises across verticals were struggling just for the survival. Fortunately, we could overcome the unexpected crisis due to our total resolve and effective team work, which has been appreciated by all our funders and well-wishers alike.

Looking ahead, I am quite optimistic about our future. It is our objective to stabilize and diversify our liability side in a year or two and bring down the financial cost gradually and steadily over a period. It would help us to reduce our over dependency on institutional debts, which is quite inconsistent due to emerging market sentiments at times. Continues and predictable low cost debt in flow will make our growth momentum consistent. We have already initiated some efforts in this front which has been yielding intended results now. In the present market scenario keeping growth momentum during year 2020-21 would be a herculean task, however, we are determined to make it happen, which will differentiate us from the rest.

We are the ones who can convert challenges into opportunities. We are fully committed for our ultimate cause and hence determined to chase our long term objectives one by one even in adverse situations, too. Please be rest assured that we are capable and determined to translate our collective dreams into reality. I take this opportunity to express my sincere gratitude to all our investors, funders, customers and channel partners and committed workforce for their supports and guidances. We will never let you down and will always strive to outperform in any given situations. Please shower on us with your unwavering trust, confidence and blessings as well as always in the past.

Together we can and we will !

Kind regards,

**C. Vijayakumaran Nair**  
Managing Director

27.10.2020

## NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of Tattva Fincorp Limited will be held on Thursday, the 31st December, 2020 at 11.00 AM (IST) through video conferencing or Other Audio Visual Means (OAVM) to transact the following business:

### Ordinary Business

#### 1. Adoption of Financial Statements and the reports of the Directors and Auditors thereon.

To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March, 2020, Statement of Profit and Loss Account as on 31st March, 2020 and Cash Flow Statement as on that date together with notes forming part of accounts as audited and reported by the Statutory Auditors of the Company and the Directors' Report to the Shareholders thereon.

#### 2. Appointment of Director

To appoint a Director in place of Mr. Sanal Venugopal Menon (DIN: 07046818), who retires by rotation and being eligible, offers himself for re-appointment as a Director.

### Special Business

#### 3. Appointment of Mr. Ramanathan Annamalai (DIN: 02645247) as Independent Director

To consider and if thought fit, pass with or without modification, the following as Special Resolution

**RESOLVED THAT** Pursuant to provisions of section 149, 150, 152 and other applicable provisions of Companies Act, 2013, if any, Companies (Appointment and Qualification of Directors) Rules, 2014 read with schedule IV of the Companies Act 2013 (the "Act") including any statutory modifications and re-enactments thereof Mr. Ramanathan Annamalai (DIN: 02645247) who

fulfils the 'fit and proper criteria' as mandated under RBI guidelines and having expressed consent and submitted a declaration that he meets the criteria of Independence as specified in the section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 03 (three) consecutive years from the conclusion of 23rd AGM to the conclusion of 26th AGM.

**RESOLVED FURTHER THAT** Mr. C Vijayakumaran Nair, Managing Director and Mr. Shinumon KS, Company Secretary of the Company be and are hereby authorized severally to do the necessary filing(s) and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient, necessary and/ or desirable to give effect to this resolution."

#### 4. Appointment of Mr. Puthamveetil Raman Sathyanarayanan (DIN: 07980702) as Non-Executive Director.

To consider and if thought fit, pass with or without modification, the following as an Ordinary Resolution

**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, Mr. Puthamveetil Raman Sathyanarayanan (DIN: 07980702), who fulfils the 'fit and proper criteria' as mandated under RBI guidelines and having expressed consent and submitted letter of intimation, be and is hereby appointed as Non-Executive Director of the Company liable to retire by rotation.

#### 5. Approval of Related Party Transactions

To consider and if thought fit, pass with or without modification, the following as Special Resolution



**RESOLVED THAT** Pursuant to the provisions of section 188(1) and other applicable provisions of the Companies Act, 2013 if any, read with Companies (Meeting of Board and its powers) Rules, 2014 including any statutory amendments or modifications or re-enactments thereof, Related Party Transactions in the following nature, during and for the period 2020-21 be and are hereby approved.

Details of Related Parties	Nature of Related Party Transactions
All the existing Directors and KMPs along with the Directors being appointed in the AGM.	<ul style="list-style-type: none"> <li>• Sale, purchase or supply of any goods or materials</li> <li>• Selling or disposing of or buying of property of any kind</li> <li>• Leasing of property of any kind</li> <li>• Availing or rendering of any services</li> <li>• Appointment of any agent for purchase or sale of goods, materials, services or property</li> <li>• Underwriting the subscription of any securities or derivatives thereof, of the Company</li> </ul>

By order of Board of Directors

Date: 23.11.2020  
Place: Thrissur

**Shinumon KS**  
Company Secretary

## NOTES:

1. An explanatory statement as required under Section 102 of the Companies Act, 2013 in respect of the special business specified above is annexed hereto.
2. Due to the outbreak of pandemic COVID-19, the Ministry of Corporate Affairs as per its Circulars dated 5th May, 2020 read with Circulars dated 8th April, 2020, 13th April, 2020 and 15th June, 2020 has laid down instructions for holding General Meetings of the Company through Video Conferencing/ Other Audio Visual Means (OAVM).
3. As the Meeting is proposed to be held through Video Conferencing/ OAVM and physical presence of Members are not required, and therefore, in adherence to aforesaid circulars the proxy facility will not be provided in the proposed meeting.
4. For receiving all communication (including Annual Report) from the Company electronically:
  - ▶ Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company at [cs@tattvafincorp.com](mailto:cs@tattvafincorp.com) mentioning the Name, Address, Folio No/DP ID, Client ID and PAN of the Shareholder.
  - ▶ Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.
5. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting in terms of Section 113 of the Companies Act, 2013.
6. All correspondence relating to change of address, change in the e-mail ID already registered with the company, transfer / transmission of shares, issue of duplicate share certificates, bank mandates and all other matters relating to the shareholding in the company may be made to the Registrar and Share Transfer Agents (RTA) of the Company M/s. SKDC Consultant Limited, at 1391/A-1. Sathy Road, Kanapathy Towers, 3rd Floor, Ganapathy, Coimbatore- 641 006. Phone: 04224958995 e mail: [info@skdc-consultants.com](mailto:info@skdc-consultants.com).
7. Electronic copy of the Notice of the aforesaid Annual General Meeting of the Company along with the Annual Report of the Company is being sent to all the Members whose names appear on the register of members/ record(s) of depositories as on 7th December, 2020 on their registered mail id. As the present Meeting is proposed to be held through video conferencing/ OAVM, no physical copies will be dispatched to the Members/ Trustees/ Debenture holders/ any other person.
8. The Notice of 23rd Annual General Meeting of the Company and the Annual Report for year ended 31st March, 2020 will also be available on the Company's website **[www.tattvafincorp.com](http://www.tattvafincorp.com)**
9. Members can inspect the Register of Director and key managerial personnel and their shareholding in terms of Section 170 of the Companies Act, 2013, Register of Members & Register of Contract or Arrangements as maintained under Section 188 & 189 of the Companies Act, 2013, respectively and such other relevant documents through electronic mode and can place the request on [cs@tattvafincorp.com](mailto:cs@tattvafincorp.com) in this regard.
10. We urge members to support our commitment to environmental protection by choosing to receive their shareholding communication through e-mail. You can do this by updating your e-mail addresses with your depository participants.
11. As the present meeting is proposed to be held through video conferencing/ OAVM, so the route map is not annexed with this Notice.

## **CDSL E-VOTING SYSTEM FOR REMOTE E-VOTING AND E-VOTING DURING AGM**

1. As you are aware, in view of the situation arising out of COVID-19 global pandemic, the Annual General Meeting of the Company will be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, the Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM will be uploaded on the website of the Company at [www.tattvafincorp.com](http://www.tattvafincorp.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

## **THE INSTRUCTIONS FOR SHARE HOLDERS FOR REMOTE E - VOTING ARE AS UNDER:**

1. The voting period begins on Monday, the 28th December, 2020 at 09.00 am and ends on Wednesday, 30th December, 2020 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24.12.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.



3. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
4. Click on "Shareholders" module.
5. Now enter your User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

**OR**

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

6. Next enter the Image Verification as displayed and Click on Login.
7. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
8. If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

9. After entering these details appropriately, click on "SUBMIT" button.
10. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
11. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
12. Click on the EVSN for the relevant Tattva Fincorp Limited on which you choose to vote.
13. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

14. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
15. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
16. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
17. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
18. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
19. Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) by email to [cs@tattvafincorp.com](mailto:cs@tattvafincorp.com).
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) to RTA email id. [info@skdc-consultants.com](mailto:info@skdc-consultants.com).

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@tattvafincorp.com](mailto:cs@tattvafincorp.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@tattvafincorp.com](mailto:cs@tattvafincorp.com)). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

## **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id and mobile number at [cs@tattvafincorp.com](mailto:cs@tattvafincorp.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@tattvafincorp.com](mailto:cs@tattvafincorp.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

## **NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective

network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id and mobile number at [cs@tattvafincorp.com](mailto:cs@tattvafincorp.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@tattvafincorp.com](mailto:cs@tattvafincorp.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

By order of Board of Directors

**Shinumon KS**  
Company Secretary

Date: 23.11.2020

Place: Thrissur



## EXPLANATORY STATEMENTS UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013

### Item No. 3 Appointment of

#### Mr. Ramanathan Annamalai (DIN: 02645247) as Independent Director

As per the provisions of section 149 and 152 of Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014, Public Companies having paid up capital of Rs. 10 Crores shall have at least 02 Directors as Independent directors who would be in the category of Non-Executive Directors and not liable to retire by rotation and may possess appropriate skills and experience in the fields of Finance, Law, Management, Administration or any other discipline related to the Company's business.

In compliance with the provisions of Section 149 and 152 of the Companies Act, 2013 company has appointed Mr. Natarajan Muthuraman and Mr. Rudran Puthukulangara as Independent Directors at the previous AGM held on 29th September, 2019. However, due to personal reasons, Mr. Rudran Puthukulangara has resigned from the Board effective from 1st September, 2020 and hence the vacancy arises. The Nomination and Remuneration Committee of the Board identified Mr. Ramanathan Annamalai for being appointed as Independent Director of the Company. Considering his long rich multifaceted experience in the Banking industry Nomination and Remuneration Committee recommended his appointment to the Board. The Board of Directors at their meeting held on 27th October, 2020, so as to avail, for the benefit and betterment of the Company, corporate management and financial expertise and experience along with other academic qualifications possessed by Mr. Ramanathan Annamalai, recommended to the members the appointment of Mr. Ramanathan Annamalai as Independent Director of the Company for a period of 3 years.

The proposed Independent Director has desired qualifications and has also submitted his consent (DIR-2) and intimation (DIR-8) and also fulfills the "Fit and Proper criteria" as mandated under RBI guidelines.

#### Profile: Mr. Ramanathan Annamalai (DIN: 02645247)

Mr. Ramanathan Annamalai started his carrier as an Assistant Professor in Sourashtra College, Madurai, Tamil Nadu. Then he worked with several companies and state and central level institutions including Tamil Nadu Dairy Development Corporation Limited, State Industries Promotion Corporation of Tamil Nadu Limited and Bankers Institute of Rural Development [BIRD], Lucknow, NABARD etc. After holding various positions in NABARD, he retired as Chief General Manager in Micro Credit innovations Department of NABARD. He has gained more than 35 years of rich experience in the banking industry.

Mr. Ramanathan Annamalai is an expert in Microfinance, Financial Inclusion, Development Banking, Training, Training Need Assessment, Designing Training Programmes, Preparation of Course Materials and Directing Training Programs in the areas of Microfinance, Organisational Behaviour, Organisational Development, Training of Trainers, Management of Training Centres, etc.

Mr. Ramanathan Annamalai is post graduate in M.B.A from Madras University and also completed Study Programme at Postgraduate Level from the Institute of Development Policy & Management, University of Manchester, United Kingdom.

The resolution is recommended for approval of members through Special Resolution.

None of other Directors, KMPs and their relatives are interested in the resolution except to the extent of their holding in the Company.

#### **Item No. 4: Appointment of Mr. Puthamveetil Raman Sathyanarayanan (DIN: 07980702) as Non-Executive Director.**

Mr. Puthamveetil Raman Sathyanarayanan (DIN: 07980702) was appointed as Director (Executive) of the Company for a term of one year in the last (22nd) Annual General Meeting held on 29th September, 2019. During the said period he had contributed immensely on every aspect of business activities of the Company and had been at the forefront of many discussions that the Company held with various Financial Institutions. Due to his preoccupations elsewhere, he resigned from the post of Executive Director and continued as Non-Executive Director.

Having considered his past contributions, expertise and rapport with leading Financial Institutions, it is proposed to re-appoint Mr. Puthamveetil Raman Sathyanarayanan (DIN: 07980702) as Non-Executive Director liable to retire by rotation.

Mr. Puthamveetil Raman Sathyanarayanan submitted his consent (DIR-2) and intimation (DIR-8) and also fulfils the "Fit and Proper criteria" as mandated under RBI guidelines.

None of other Directors, KMPs and their relatives, except Mr. Puthamveetil Raman Sathyanarayanan is interested in the resolution except to the extent of their holding in the Company

#### **Item No. 5: Approval of Related Party Transactions**

Under the provisions of section 188 of Companies Act, 2013 read with Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014, prior approval has to be obtained through Special Resolution for the Related Party Transactions.

The Company at times is required to avail unsecured loans (Short Term) from Directors to meet business and operational contingencies and pursuant to provisions of Section 188(1)(d) of Companies Act 2013, availing or rendering any services comes under the category of related party transactions and the details are as given below:

<b>Name of the Related Party</b>	<b>Name of the Directors</b>	<b>Nature of relationship</b>	<b>Nature/Terms of contract or arrangement</b>	<b>Other info if any</b>
1. Mr. Chakkadath Vijayakumaran Nair (DIN: 07702882)	1. Mr. Chakkadath Vijayakumaran Nair (DIN: 07702882)	Self	Unsecured from Directors to meet business requirements with terms and conditions that come under 'Arms' length transactions'.	The approval is for the period 2020-21.  All the Directors are interested to the extent of their shareholding in the Company.
2. Mr. Amith Madhavan (DIN: 07702830)	2. Mr. Amith Madhavan (DIN: 07702830)	Self		
3. Mr. Sanal Venugopal Menon (DIN: 07046818)	3. Mr. Sanal Venugopal Menon (DIN: 07046818)	Self		
4. Mr. Puthamveetil Raman Sathyanarayanan (DIN: 07980702)	4. Mr. Puthamveetil Raman Sathyanarayanan (DIN: 07980702)	Self		

Hence the agenda is proposed for the approval of the members vide Special Resolution.

All the Directors and their relatives except Independent Directors are interested in the resolution to the extent of their holding in the Company. No KMPs and their relatives are interested in the resolution.

## DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors are happy to present before you, the 23rd Annual Report of the Company along with the Audited Balance Sheet as at 31st March, 2020 and the Statement of Profit & Loss for the period ended 31st March, 2020 together with the schedules and notes forming part of it, as audited and reported by the Auditors.

### 1. Preparation of Financial Statements

The Financial Statements of the company for the year ended 31st March, 2020 have been prepared in accordance to the applicable Accounting Standards and schedule III of the Companies Act, 2013.

### 2. Financial Result and Highlights

The Revenue from Operations have registered an increase of 26.09% over that of the previous year at Rs.15.66 Crores (Rs.12.42 Crores). Profit before Tax and Profit after tax have increased to Rs.1.30 Cr. (Rs.0.88 Cr.) and Rs.0.92 Cr (Rs.0.73 Cr.) respectively.

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Total Income	15,65,53,086.00	12,41,59,610.00
Total expenses	14,34,96,873.00	11,53,71,954.00
Profit before exceptional and extraordinary, prior period items and tax	1,30,56,213.00	87,87,656.00
Profit before tax	1,30,56,213.00	87,87,656.00
Tax for the year Deferred Tax	54,02,680.00 (15,08,694.00)	21,89,705.00 (6,85,018.00)
Profit/(Loss) for the period	91,62,227.00	72,82,969.00

### 3. Transfer to Reserves

During the period under report, the Company has reported a Net Profit of Rs.91,62,227/- and the Board proposes to transfer the same to the Reserves of the Company.

### 4. Dividend:

In order to preserve resources, the Board of Directors is not recommending dividend for the period 2019-20.

### 5. Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

The company has not declared dividend so far and hence the provision is not applicable.

### 6. Board Meetings

The Board of Directors has met 31 times to steer the affairs of the Company and the details are as given in Annexure I. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

### 7. State of Company Affairs

#### Nature of Business and operations of the Company

The company is engaged in providing different types of retail loans to its customers such as Vehicle Loan, Loan Against Property, Pre-owned Car Loans, Personal Loans and Business Loans. The loan proposals are subject to strict due diligence under robust credit policies defined for each and every products that being offered. It includes proper credit check and field verification processes. The company also provides investments opportunities to its customers in the form of fully secured Non-Convertible Redeemable Debentures strictly as per the guidelines issued by the Reserve Bank of India in that effect.

#### Business Plans

Even though your company is not an exception to overall market trend and common phenomenon of downward trend on growth prospects and liquidity crunch due to market slow down and Covid'19 pandemic outbreak we have been quite successful in keeping its impact indeed insignificant in our system. We kept our collection follow up with our clients who are willing to pay up their monthly dues during the moratorium period and maintained our liquidity at comfortable position, which is indeed a rare achievement in an extra ordinary crisis situation like this. We have been able to honour all our financial commitments to statutory bodies, lenders and salaries to our employees during the moratorium period without any interruption.

The company has put in place fresh business plans for the current year, with more emphasis both on top line and bottom line performance at equal foot.

We offered personal loans as cross selling product to our existing two wheeler customers who are maintaining excellent repayment track record with us and performance of personal loan portfolio has been quite exemplary as of now. The company is also planning to introduce few more unique products into the market to tide over the present market situation and also to retain growth momentum even in this adverse situation.

### **Branch Expansion**

During the year 2019-20 the company has opened one more branch in Thodupuzha, Idukki District in Kerala. In the wake of Covid'19 pandemic outbreak the Company has kept the branch expansion programme on hold for time being. It has been decided to give thrust for consolidation of business at existing branches till market returns to normalcy. In order to strengthen business consolidation at existing branches, especially, in Tamilnadu, hub and spokes business model will be implemented.

### **Share Capital**

The present Authorised and Paid-Up Share Capital of the Company is respectively Rs.25 Crore (2,50,00,000 Equity Shares of Rs. 10/- each) and Rs.13.64 Crore (1,36,39,000 Equity Shares of Rs. 10/- each).

During 2019-20 the company has issued 8,62,500 Equity Shares of Rs. 10/- each under Section 62 of the Companies Act, 2013 to existing shareholders on Rights basis. The shares were issued at a price of Rs.20/- each including premium of Rs. 10/- per share.

### **Issue of Non-Convertible Debentures**

To meet the business needs, Company has been issuing Secured, Redeemable and Non-Convertible debentures of varied interest rates in due compliance to RBI guidelines and relevant sections of Companies Act, 2013 and an amount of Rs.5,32,00,000/- has been mobilized during the period under report. All the debentures are secured and charge is created in favour of Debenture Trustee to secure the interests of debenture holders.

### **RBI Guidelines**

Your company has complied with all applicable regulations prescribed by Reserve Bank of India from time to time.

## **8. Directors and Key Managerial Personnel**

### **Re-appointment of Managing Director**

The Term of appointment of Mr. Chakkadath Vijayakumaran Nair as Managing Director has expired on 3rd April, 2020. The Board of Directors at their meeting held on 9th March, 2020, have as per Section 196, 197, 198 and 203 of Companies Act, 2013 and Rules made there-under, subject to the approval of shareholders, re-appointed him as Managing Director for a further period of five years under the prevailing Terms and Conditions of Appointment. The Members at the 4th Extra-Ordinary General Meeting held on 18th May, 2020 has confirmed the appointment of Mr. Chakkadath Vijayakumaran Nair.

### **Re-appointment of Whole Time Director**

The Term of Mr. Amith Madhavan who was appointed as Whole Time Director for a period of one year, expired on 04.04.2020 and in compliance with section 196 and 197 of Companies Act, 2013 and Rules made there-under, he was reappointed as Whole Time Director for one more year under the prevailing 'Terms and Conditions of Appointment' by the Board of Directors, subject to approval by shareholders in General Meeting. The Members at the 4th Extra-Ordinary General Meeting held on 18th May, 2020 has confirmed the appointment.

### **Appointment of Company Secretary**

Mr. Sugesh Ram KS, Company Secretary has resigned from the company due to personal reasons effective from 20th August, 2019. The Board at its meeting held on 19th August, 2019 filled the vacancy by appointing Mr. Shinumon KS as Company Secretary of the Company under Section 203 of Companies Act, 2013 read with Rule 8A of Companies (Appointment and Remuneration of Managerial personnel) Rules 2014.

## **9. Directors' Responsibility Statement**

In terms of the requirements of section 134(3)(c) read with Rule 8, Companies (Accounts) Rules, 2014 and section 134(5) of the Companies Act 2013 Board of Directors of your Company hereby confirms that:



- In the preparation of the Annual Accounts for the year ended 31st March 2020, applicable accounting standards have been followed, along with proper explanation relating to material departures, wherever necessary.
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for the year ended on 31<sup>st</sup> March 2020.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on a going concern basis.
- The Internal Financial Controls to be followed by the Company, as required under the prevailing laws, are properly laid down and such Internal Financial Controls are adequate and operating effectively.
- The Directors have prepared proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **10. Declaration given by Independent Directors:**

The Company has received declaration from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of Companies Act, 2013.

#### **11. Policy on appointment and remuneration of Directors and performance evaluation**

The Nomination and Remuneration committee of the company has formulated a policy for selection, appointment and remuneration of the directors, senior management personnel as required under Section 178(3) of Companies Act, 2013.

The Committee was constituted at the Board meeting held on 5th October, 2019. The committee shall be responsible for Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the prescribed Criteria and recommend to the Board their appointment and removal. The committee also would Review and carry out the performance of Board members and make recommendations to the Board for improvement of performance if any required. The committees also would determine the qualifications, positive attitudes and independence of a director and recommend to the Board a policy, relating to remuneration for the Directors and KMPs.

#### **12. Auditors and Auditors' Report**

M/s A John Morris & Co, Chartered Accountants, Chennai hold office till the conclusion of 26th Annual General Meeting to be held in the year 2023.

The notes on financial statement referred to in the Auditors Reports' are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### **13. Reporting of fraud by Auditors**

During the year under review the Statutory Auditors have not reported to the Audit Committee under Section 143 (12) of the Companies Act 2013, any instance of fraud committed against the company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

#### **14. Secretarial Audit Report**

Secretarial Audit mandated under Section 204 of Companies Act 2013 is not applicable to the Company and hence Secretarial Audit Report is not annexed.

#### **15. Cost Auditors**

The company is not required to appoint a Cost Auditor pursuant to the provisions of the Companies Act, 2013

#### **16. Loans, Guarantees and Investments**

The Company has neither provided any loans nor any guarantees nor made any investments during the period under report which comes under the purview of section 186 of the Companies Act.



## **17. Related Party Transactions under Section 188(1) of Company act, 2013**

All contracts /arrangements / transactions entered by the Company with related parties were in the ordinary course of business and on an arm's length basis. The particulars of contracts/ arrangements/ transactions entered by the Company with related parties during the financial year referred to in Section 188(1) of the Companies Act, 2013 in prescribed Form AOC-2 is appended as Annexure II to the Directors Report.

Details of all material transaction with related parties are disclosed at Note No.2.18 to the Financial Statements

## **18. Status on Reserves and Surplus**

The Balance of Reserves & Surplus during the period 2018-19 was Rs. 99,45,866/- and for 2019-20 is Rs. 2,75,41,750/-.

## **19. Acceptance of Deposits**

The Company is a Non-Systemically Important Non-Deposit taking NBFC registered with Reserve Bank of India with Registration No. B-07.00612. The Company has not accepted deposits during the period under report and hence no default has been committed so far in its repayment and no amount is remaining as unpaid and unclaimed at the end of the financial year.

## **20. Human Resources**

HR Department is considered as the face and mind of the company which contribute to the productive work culture, morale, values, discipline and development of the organisation. it is need of the time to build a robust system through process upgradation and skill development to build a strong work culture and professionalism that will contribute to the success of the organisation and employee morale. The Company will continue its efforts in this direction.

The Company regards the employees as its core strength and provides opportunities to all staff for better learning and development.

## **21. Particulars of employees**

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

## **22. Conservation of energy, technology up gradation Research & Development and foreign exchange transaction**

The information pertaining to conservation of energy, technology absorption, research & development and foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure III and forms part of this Report.

With respect to Technology absorption, the Company has not undertaken any kind of research and development programme and does not use any foreign technology for business.

There are no foreign exchange earnings and outgo during the period covered by this report.

## **23. Internal Audit and Internal Control**

During the year under review the provisions of Section 138 of the Companies Act, 2013 relating to the Internal Audit is not applicable to the company. However, the Company has followed and adopted appropriate policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's guiding 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 disclosures. The Internal Audit system takes care to see that the income leakages are guarded against while minimizing possibilities for losses. The Internal Audit Department is in charge of an experienced professionals having sufficient experience and expertise.

## **24. Risk Management Policy and its implementation**

The risk management policy of the Company aims to identify diverse risks involved while conducting the business and set in motion strategies either to forestall them in advance or mitigate their impacts.

Some of the risks identified by the Company are as given below:

- a) Industrial Risks
- b) Management and Operations Risk
- c) Market Risk
- d) Credit & Liquidity Risk
- e) Systems & Technology Risk
- f) Legal & Compliance Risk

The basic steps involved in our Risk Management Policy are as follows:

- a) Identification of risk
- b) Evaluation of risk
- c) Handling of risk
- d) Implementation of the decisions
- e) Monitoring and reviewing
- f) Taking Corrective actions

## **25. Constitution of Audit Committee**

The provisions of Section 177 of Companies Act, 2013 and rules made there under relating to the constitution of Audit Committee are applicable to our Company. The company has constituted audit committee in the financial year 2019-20

## **26. Introduction of various Corporate Policies & initiatives**

To comply with the various provisions of 'Corporate Governance Mechanisms', and professionalize management of your Company, various Policy initiatives were introduced by the Board in the decision making and its executing process of the Company.

## **27. CSR Policy**

Section 135 of Companies Act, 2013, which deals with Corporate Social Responsibility, is not applicable to your Company per se. hence it is not required to formulate policy on corporate social responsibility. However, as a responsible corporate citizen of this land, we believe in the 'Triple Bottom Line' philosophy and contribute towards the sustainable development of People – Human Capital, Planet – Natural Capital and Profit and will introduce policies based on this in future.

## **28. Anti-Sexual Harassment Policy & Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act 2013**

The Internal Complaints Committee constituted by the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 looks into the complaints of aggrieved women employees, if any, and is instrumental in: promoting gender equality and justice and the universally recognized human right to work with dignity, prevention of sexual harassment of women at the workplace. During the year under review, there were no cases filed pursuant to the sexual harassment of women at work place (Prevention, prohibition and Redressal) Act, 2013.

## **29. Extract Of Annual Return:**

The extract of Annual Return in Form No. MGT-9 as per section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules 2014, is annexed to this report (Annexure –4) and forms integral part of the report.

## **30. Material Changes between the Date of the Board Report and End of Financial Year**

There have been no material changes and commitments, if any, 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.

## **31. Subsidiaries, Joint Ventures and Associate Companies**

As on 31st March, 2020 the Company does not have any Joint venture or Associate Company or Subsidiary Company. So no company has become or ceased to be the Subsidiary/ Associate/Joint Venture of our company during the financial year under reference.

### **32.Details of significant and material orders passed by regulators or courts or tribunal**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

### **33.General**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Disclosure regarding issue of Employee Stock Options
- Change in Accounting Policy
- Disclosure regarding issue of Sweat Equity Shares

### **34.Acknowledgment**

Board of Directors place on record their deep sense of gratitude to the Government of Kerala and Tamil Nadu, RBI Chennai, Registrar Companies, Coimbatore, Practicing Company Secretaries, Statutory Auditors, Debenture Trustee, South Indian Bank, Thrissur, Federal Bank Thrissur and several other Central and State Government authorities for their continued support. Directors also wish to convey their deep appreciation and gratitude to the shareholders, valued customers and employees for their wholehearted support and co-operation.

For and on behalf of Board of Directors

(Chakkadath Vijayakumaran Nair)  
Managing Director  
(DIN: 07702882)

(Amith Madhavan)  
Whole Time Director  
(DIN: 07702830)  
Date: 27.10.2020

Place : Thrissur  
Date: 27.10.2020

**ANNEXURE: I**
**DETAILS OF BOARD MEETING HELD**

No of Board Meeting	Date of Board Meeting	Board Strength	No of Directors Present	No of Board Meeting	Date of Board Meeting	Board Strength	No of Directors Present
1.	05.04.2019	5	5	16.	05.10.2019	6	5
2.	13.04.2019	5	5	17.	15.10.2019	6	4
3.	30.04.2019	5	5	18.	22.10.2019	6	3
4.	10.05.2019	5	5	19.	28.10.2019	6	4
5.	29.05.2019	5	5	20.	05.11.2019	6	4
6.	07.06.2019	5	5	21.	18.11.2019	6	3
7.	28.06.2019	5	5	22.	09.12.2019	6	4
8.	12.07.2019	5	5	23.	16.12.2019	6	4
9.	19.07.2019	5	4	24.	30.12.2019	6	4
10.	20.07.2019	5	5	25.	15.01.2020	6	5
11.	09.08.2019	5	5	26.	22.01.2020	6	4
12.	21.08.2019	5	5	27.	30.01.2020	6	3
13.	30.08.2019	5	5	28.	25.02.2020	6	3
14.	15.09.2019	5	5	29.	02.03.2020	6	4
15.	26.09.2019	5	5	31.	26.03.2020	6	2

Chakkadath Vijayakumaran Nair  
Managing Director  
(DIN: 07702882)

Place: Thrissur  
Date: 27.10.2020

Amith Madhavan  
Whole Time Director  
(DIN: 07702830)

Place: Thrissur  
Date: 27.10.2020

**ANNEXURE: II**
**FORM NO. AOC -2**
**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

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

S No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	NA
2.	Nature of contracts/arrangements/transaction	NA
3.	Duration of the contracts/arrangements/transaction	NA
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
5.	Justification for entering into such contracts or arrangements or transactions'	NA
6.	Date of approval by the Board	NA
7.	Amount paid as advances, if any	NA
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

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

S No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts /arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances if any	Any other Remarks
01	Amith Madhavan	Unsecured Loan	6 Months	11.00%	29.05.2019	Nil	---
02	Amith Madhavan	Unsecured Loan	6 Months	11.00%	05.10.2019	Nil	---
03	Amith Madhavan	Unsecured Loan	6 Months	11.00%	22.10.2019	Nil	---
04	Amith Madhavan	Unsecured Loan	6 Months	13.00%	15.01.2020	Nil	---
05	Amith Madhavan	Unsecured Loan	6 Months	13.00%	25.02.2020	Nil	---
06	C Vijayakumaran Nair	Unsecured Loan	6 Months	13.00%	25.02.2020	Nil	---
07	Amith Madhavan	Unsecured Loan	6 Months	13.00%	02.03.2020	Nil	---
08	Amith Madhavan	Unsecured Loan	6 Months	13.00%	07.05.2020	Nil	---

**Chakkadath Vijayakumaran Nair**  
Managing Director  
(DIN: 07702882)

Place: Thrissur  
Date: 27.10.2020

**Amith Madhavan**  
Whole Time Director  
(DIN: 07702830)

Place: Thrissur  
Date: 27.10.2020



# ANNEXURE: III

## DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

Details of total energy consumption and energy consumption per unit of production are given below in Form A.

### FORM A

Electricity	Amount in Rs.	
	2019-2020	2018-2019
A. Power and Fuel consumption	NIL	NIL

Expenditure on Research & Development	Amount in Rs.	
	2019-2020	2018-2019
A. Power and Fuel consumption	NIL	NIL

**Chakkadath Vijayakumaran Nair**  
Managing Director  
(DIN: 07702882)

Place: Thrissur  
Date: 27.10.2020

**Amith Madhavan**  
Whole Time Director  
(DIN: 07702830)

Place: Thrissur  
Date: 27.10.2020

**Form No MGT-9**

**EXTRACT OF ANNUAL RETURN**  
**As on Financial Year ended on 31 March 2020**  
**(Pursuant to section 92(3) of the Companies Act, 2013 and**  
**Rule 12(1) of the Companies**  
**(Management and Administration) Rules, 2014**

**1. REGISTRATION & OTHER DETAILS**

01	CIN	U65921TZ1996PLC007015
02	Registration	007015
03	Name of the Company	TATTVA FINCORP LIMITED
04	Category / Sub-Category of the Company	Company limited by shares
05	Address of the Regd. Office of the Company	F-1, First Floor, Balaji Castle No:11, Father Randy Street, RS Puram, Coimbatore, TN - 640002
06	Whether Listed Company	NO
07	Name, Address & Contact details of the Registrar and Share Transfer Agent if any:	SKDC Consultants Limited Post Box No. 2016, Kanapathy Towers 3rd Floor, No. 1391/A1, Sathy Road, Ganapathy Post, Coimbatore, TN- 641006

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

SI No	Name & description of main products and services	NIC Code of the products	% of Turn over
01	Financial and other credit activities	64920	97.83%

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

SI No	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
Not Applicable					

#### 4. SHARE HOLDING PATTERN

(EQUITY SHARE CAPITAL BREAK UP WITH PERCENTAGE OF TOTAL EQUITY)

##### (i) Category wise Share Holding

Category of share holder	No of shares held at the beginning of the year				No of shares held at the end of the year				% of Change
	D'mat	Physical	Total	% of shares	Demat	Physical	Total	% of shares	
<b>Promoters</b>									
1. Indian									
a. Individual/ HUF	45,35,000	2,50,000	47,85,000	37.52	48,77,500	—	48,77,500	35.76	(01.76)
b. Central Govt	—	—	—	—	—	—	—	—	—
c. State Govt(s)	—	—	—	—	—	—	—	—	—
d. Body Corps	—	—	—	—	—	—	—	—	—
e. Banks/FIs	—	—	—	—	—	—	—	—	—
f. Any other	—	—	—	—	—	—	—	—	—
Sub Total A(1)	45,35,000	2,50,000	47,85,000	37.52	48,77,500	—	48,77,500	35.76	(01.76)
2. Foreign	—	—	—	—	—	—	—	—	—
a. NRI Individuals	—	—	—	—	—	—	—	—	—
b. Other Individuals	—	—	—	—	—	—	—	—	—
c. Body Corporate	—	—	—	—	—	—	—	—	—
d. Any other	—	—	—	—	—	—	—	—	—
Sub total A(2)	—	—	—	—	—	—	—	—	—
Total A	45,35,000	2,50,000	47,85,000	37.52	48,77,500	—	48,77,500	35.76	(01.76)
<b>Public</b>	—	—	—	—	—	—	—	—	—
Institutions	—	—	—	—	—	—	—	—	—
a. Mutual Funds	—	—	—	—	—	—	—	—	—
b. Banks/FI	—	—	—	—	—	—	—	—	—
c. Central Govt	—	—	—	—	—	—	—	—	—
d. State Govt(s)	—	—	—	—	—	—	—	—	—
e. Venture Capital Funds	—	—	—	—	—	—	—	—	—
f. Insurance	—	—	—	—	—	—	—	—	—
g. FIs	—	—	—	—	—	—	—	—	—
h. Foreign Capital Venture Funds	—	—	—	—	—	—	—	—	—
i. Others (specify)	—	—	—	—	—	—	—	—	—
Sub Total B(1)	—	NIL	NIL	NIL	—	NIL	NIL	NIL	NIL
Non Institutions	—	—	—	—	—	—	—	—	—
a. Body Corp	—	—	—	—	—	—	—	—	—
i Indian	—	—	—	—	—	—	—	—	—
ii. Overseas	—	—	—	—	—	—	—	—	—
b. Individuals Individual shareholders holding nominal share capital upto Rs 1 lakhs	—	—	—	—	—	—	—	—	—
Individual shareholders holding share capital in excess of Rs 1 lakh	16,30,000	63,36,500	79,66,500	62.48	64,63,990	22,97,510	87,61,500	64.24	01.76
HUF	—	—	—	—	—	—	—	—	—
NRIs	—	—	—	—	—	—	—	—	—
Overseas	—	—	—	—	—	—	—	—	—
Corporate Bodies	—	—	—	—	—	—	—	—	—
Foreign Nationals	—	—	—	—	—	—	—	—	—
Clearing members	—	—	—	—	—	—	—	—	—
Trusts	—	—	—	—	—	—	—	—	—
Foreign Bodies	—	—	—	—	—	—	—	—	—
Sub Total B	16,30,000	63,36,500	79,66,500	62.48	64,63,990	22,97,510	87,61,500	64.24	01.76
TOTAL B	16,30,000	63,36,500	79,66,500	62.48	64,63,990	22,97,510	87,61,500	64.240	1.76
Shares held by custodian for GDR & ADR	—	—	—	—	—	—	—	—	—
Grant Total	61,65,000	65,86,500	1,27,51,500	100	1,13,41,490	22,97,510	1,36,39,000	100	

## ii) Shareholding of Promoters

SI No	Share Holders' Name	Share Holding at the beginning of the year			Share holding at the end of the year			
		No of shares	% of total shares	% of shares pledged	No of shares	% of total shares	% of shares pledged	
01	C Vijayakumaran Nair	22,85,000	17.91	–	23,87,500	17.50	–	(0.41)
02	PR Sathyanarayanan	15,00,000	11.76	–	15,00,000	11.00	–	(0.76)
03	Amith Madhavan	7,50,000	05.88	–	7,40,000	05.43	–	(0.45)
04	Sanal V Menon	2,50,000	01.96	–	2,50,000	01.83	–	(0.13)

## iii) Change in promoters' share holding:

Name of the promoter	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
C Vijayakumaran Nair	22,85,000	17.91	–	–
Increase / Decrease	–	–	1,02,500	0.75
At the end of the year	23,87,500	17.50	–	–

Name of the promoter	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
PR Sathyanarayanan	15,00,000	11.76	–	–
Increase/ Decrease	–	–	–	–
At the end of the year	15,00,000	11.00	–	–

Name of the promoter	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
Amith Madhavan	7,50,000	5.88	–	–
Increase/Decrease	–	–	(10000)	0.01
At the end of the year	7,40,000	5.43	–	–

Name of the promoter	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
Sanal V Menon	2,50,000	1.96	–	–
Increase/ Decrease	–	–	–	–
At the end of the year	2,50,000	1.83	–	–

**iv) Share Holding pattern of top ten share holders  
(other than Directors, Promoters and Holders of GDR & ADRs):**

Name of the share holder	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
Mr. CJ Kochu Mathew	4,37,500	03.43	–	–
Increase/Decrease	–	–	–	–
At the end of the year	4,37,500	03.21	–	–

Name of the share holder	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
Mr. Sathya K	4,00,000	03.13	–	–
Increase/Decrease	–	–	–	–
At the end of the year	4,00,000	02.93	–	–

Name of the share holder	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
Mr. Suresh Kannan	3,50,00	02.74	–	–
Increase/Decrease	–	–	50,000	0.36
At the end of the year	4,00,000	02.93	–	–

Name of the share holder	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
Mr. Santhosh Kumar N	3,75,000	02.94	–	–
Increase/Decrease	–	–	–	–
At the end of the year	3,75,000	02.75	–	–

Name of the share holder	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
Mr. Benny KD	3,50,0000	2.74	–	–
Increase/Decrease	–	–	–	–
At the end of the year	3,50,000	02.57	–	–

Name of the share holder	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
Mr. Rajendra Kumar	2,55,000	02.00	–	–
Increase/Decrease	–	–	85,184	0.62
At the end of the year	3,40,184	02.49	–	–

Name of the share holder	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
Ms. Laya Luke	2,50,000	01.96	–	–
Increase/Decrease	–	–	65,000	0.47
At the end of the year	3,15,000	02.31	–	–



Name of the share holder	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
Mr. Satheesh V	3,12,500	02.45	–	–
Increase/Decrease	–	–	–	–
At the end of the year	3,12,500	02.29	–	–

Name of the share holder	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
Mr. Sabu Joseph	3,10,000	02.43	–	–
Increase/Decrease	–	–	–	–
At the end of the year	3,10,000	2.27	–	–

Name of the share holder	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
Mr. Dinesh Menon	3,04,000	02.38	–	–
Increase/Decrease	–	–	–	–
At the end of the year	3,04,000	2.23	–	–

#### v) Share Holding of Directors & Key Managerial Personnel:

Name of the Director	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
C Vijayakumaran Nair	22,85,000	17.91	–	–
Increase / Decrease	–	–	1,02,500	0.75
At the end of the year	2387500	17.50	–	–

Name of the Director	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
PR Sathyanarayanan	15,00,000	11.76	–	–
Increase/ Decrease	–	–	–	–
At the end of the year	15,00,000	11.00	–	–

Name of the Director	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
Amith Madhavan	7,50,000	5.88	–	–
Increase/Decrease	–	–	(10000)	0.01
At the end of the year	7,40,000	5.43	–	–

Name of the Director	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
Sanal V Menon	2,50,000	1.96	–	–
Increase/ Decrease	–	–	–	–
At the end of the year	2,50,000	1.83	–	–

Name of the Director	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
N Muthuraman	–	–	–	–
Increase/ Decrease	–	–	–	–
At the end of the year	–	–	–	–

Name of the Director	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
P Rudran	–	–	–	–
Increase/ Decrease	–	–	–	–
At the end of the year	–	–	–	–

Name of the KMP	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
Shinumon KS	–	–	–	–
Increase/ Decrease	–	–	–	–
At the end of the year	–	–	–	–

Name of the KMP	Share holding at the beginning of the year		Cumulative share holding during the year	
	No of shares	% of share holding	No of shares	% of share holding
Sethumadhavan N	1,25,000	0.98	–	–
Increase/ Decrease	–	–	20,000	0.15
At the end of the year	1,45,000	1.06	–	–

## 5. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
At the beginning of the Financial Year				
i) Principal Amount	40,72,24,950/-	5,83,83,000/-		46,56,07,950/-
ii) Interest due but not paid				
iii) Interest accrued but not due	17,33,620/-	22,38,905/-		39,72,525/-
TOTAL	40,89,58,570/-	6,06,21,905/-		46,95,80,475/-
Change in indebtedness during the Financial Year	6,94,41,366/-			
Net Change	(6,94,41,366)	8,93,409		(6,85,47,957)
Indebtedness at the end of the Financial Year				
i) Principal Amount	33,32,15,147/-	63,02,057/-		5,83,83,000/-
ii) Interest due but not paid	31,32,314/-	39,15,98,147/-		94,34,371/-
iii) Interest accrued but not due				
TOTAL	33,95,17,204/-	6,15,15,314/-		40,10,32,518/-

## 6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### i) Remuneration to Managing Director, Whole Time Director and Manager

SI No	Particulars of Remuneration	Name of MD	Total Amount
		Mr. C Vijayakumaran Nair	
01	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961 b) Value of perquisites u/s 17(2) c) Profits in lieu of salary u/s 17(3)	Rs. 2,50,000/- per month  Nil Nil	29,35,484.00  Nil Nil
02	Stock Option	–	–
03	Sweat Equity	–	–
04	Commission as per % of profit	–	–
05	Others (Bonus)	Rs.10,000/-	10,000.00
			29,45,484.00

### ii) Remuneration to other Directors:

SI No	Name of Other Directors	Particulars of Remuneration	Total Amount
01	Mr. PR Sathyanarayanan	Rs. 1,50,000/- per month Other (Bonus)	17,61,290.00 10,000.00 17,71,290.00
02	Mr. Amith Madhavan	Rs. 1,00,000/- per month Other (Bonus)	11,74,194.00 10,000.00 11,84,194.00

### iii) Remuneration to KMPs:

SI No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CS	Total
01	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961 b) Value of perquisites u/s 17(2) c) Profits in lieu of salary u/s 17(3)	NIL	6,05,806.00	3,89,000.00	9,94,806.00
	Stock Option				
	Sweat Equity				
	Commission as per % of profit				
	Others (Bonus)	–	10,000.00	5,000.00	15,000.00
			6,15,806.00	3,94,000.00	10,09,806.00

## 7. PENALTIES/PUNISHMENTS & COMPOUNDING OF OFFENCES

Type	Section of the Companies' Act	Brief Description	Details of the Punishment	Authority	Appeal made if any
COMPANY: NIL					
DIRECTORS: NIL					
OTHER OFFICERS IN DEFAULT: NIL					

**Chakkadath Vijayakumaran Nair**  
Managing Director  
(DIN: 07702882)

**Amith Madhavan**  
Whole Time Director  
(DIN: 07702830)

## Form No. MGT-8

[Pursuant to section 92(2) of the Companies Act, 2013 and  
rule 11(2) Companies(Management and Administration) Rules, 2014]

### CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

We have examined the registers, records and books and papers of **TATTVA FINCORP LIMITED (CIN:U65921TZ1996PLC007015)** as required to be maintained under the Companies Act, 2013 and the rules made thereunder for the financial year ended on 31<sup>st</sup> March, 2020.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that:

- A. The Annual Return states the facts as at the close of the aforesaid financial year correctly and adequately.
- B. During the aforesaid financial year the Company has complied with provisions of the Act and Rules made thereunder in respect of:

#### 1. Its status under the Act;

CIN	U65921TZ1996PLC007015
Registration Date	08.03.1996
Name of the Company	TATTVA FINCORP LIMITED
Category / Sub-Category of the Company	Company limited by shares/ Indian Non – Govt Company
Address of the Registered office, Corporate Office and contact details	F-1, First Floor, Balaji Castle No:11, Father Randy Street, R.S Puram Coimbatore Coimbatore TN 641002 IN 2nd Floor, Prasad Arcade, Shoranur Road, Patturaikkal Thrissur 680022 KL IN EMAIL: cs@tattvafincorp.com
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s SKDC Consultants Limited 1391/A-1., Sathy Road, Kanapathy Tower 3rd Floor, Ganapathy, Coimbatore-641006 Ph. 04224955995, E mail- info@skdc-consultants.com

2. Maintenance of registers and making entries therein within the time prescribed therefor;- Complied
3. The company has duly filed the forms and returns as stated in Annexure 'A' to this certificate, with the Registrar of Companies as prescribed under the Act and Rules made there under. The company was not required to file any returns or obtain any orders from the Regional Director, Central Government, Company Law Board, Tribunal, Court or other Authorities during the financial year.
4. Calling/convening/holding meetings of Board of Directors or its committees, and the meetings of the members of the company on due dates as stated in the Annual Return in respect of which meetings, proper notices were given and the proceedings have been properly recorded in the Minutes Book/Registers maintained for the purpose and the same have been signed;



5. The company has not closed its Register of Members.
6. The company has not given loans to its directors or persons or firms or companies referred in section 185 of the Act
7. Except Remuneration to managing Director & Directors Rs. 58,70,968/-, During the year company has not entered into any contract or arrangements with related parties which were in the ordinary course of business and on arm's length basis as specified in section 188 of the Act.
8. During the financial year the Company has made allotment of shares and debentures as detailed in Annexure B and there was no buy back of securities or reduction of share capital/ conversion of shares during the year.
9. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
10. No dividend was declared during the financial year. The company was not required to transfer any amount to the Investor Education and Protection Fund as there were no amounts due for transfer accordance with section 125 of the Act;
11. Signing of audited financial statement as per the provisions of section 134 of the Act and report of directors is as per sub-sections (3), (4) and (5) thereof;
12. The Company has Appointed Managing Director, Whole time Director, Independent Director, Company Secretary and Chief Financial officer. Mr. Rudran Puthukulangara (Independent Director) has resigned from the Company effective from 1st September, 2020. Pursuant to Rule 4 of the Companies (Appointment and Qualification Of Directors) Rules 2014, vacancy in the office of independent director shall be filled in the very next Board Meeting or within 3 months of such vacancy, whichever is later.
13. The company has reappointed M/s A John Morris & Co., Chartered Accountants, as statutory auditors as per the provisions of section 139 of the Act;
14. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/ or such authorities prescribed under the various provisions of the Act.
15. Based on the audit report I understand that the company has not accepted any deposits during the year 2019-2020;
16. There has borrowings from public financial institutions, banks and therefore company has filed creation/modification and satisfaction of charges with ROC during the year. The Company had accepted unsecured loan from Directors and the balance whereof outstanding as on 31.03.2020 is Rs. 1,90,26,280/-
17. The company has not made any loans or given guarantees or provided securities to other bodies corporate falling under the provisions of section 186 of the Act during the year.
18. The company has not altered the provisions of the Memorandum/Articles of Association during the Year.

Place: Thrissur  
Date: 23.10.2020

Prasanth K N  
Membership No. 39754  
C.P. No: 19760  
UDIN: A039754B001279663

## ANNEXURE A

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government, the Tribunal, Court or other authorities, during the period ending on 31st March 2020 as per MCA website.

SL No.	Forms	Date of Filing	Purpose of Filing	Filed whether within the period
01	CHG-01	01.04.2019	Charge Created in favour of MAS for Term Loan	Yes
02	GNL-02	05.04.2019	PAS-04 NCD 2019-20/A	Yes
03	GNL-02	05.04.2019	PAS-05 NCD 2019-20/A	Yes
04	PAS-03	05.04.2019	Return of Allotment NCD 2019-20/A	Yes
05	CHG-09	20.04.2019	Creation of Charge for Debenture 2019-20/A	Yes
06	CHG-01	10.04.2019	Creation of Charge for Term Loan from AU BANK	Yes
07	INC-22A	22.04.2019	Active Status - One Time Compliance	Yes
08	PAS-03	25.04.2019	Return of Allotment - Rights issue of Equity shares	Yes
09	MGT-14	25.04.2019	Board Resolution for issue shares under 16th Rights Issue	Yes
10	GNL-02	02.05.2019	PAS-04 NCD 2019-20/B	Yes
11	GNL-02	02.05.2019	PAS-05 NCD 2019-20/B	Yes
12	PAS-03	03.05.2019	Return of Allotment NCD 2019-20/B	Yes
13	MGT-14	03.05.2019	Board Resolution for issue of NCD 2019-20/B	Yes
14	CHG-09	06.05.2019	Creation of Charge for Debenture 2019-20/B	Yes
15	MGT-14	06.05.2019	Board Resolution for Creation of Charge NCD 2019-20/B	Yes
16	GNL-02	04.06.2019	PAS-04 NCD 2019-20/C	Yes
17	GNL-02	04.06.2019	PAS-05 NCD 2019-20/C	Yes
18	PAS-03	08.06.2019	Return of Allotment NCD 2019-20/C	Yes
19	MGT-14	08.06.2019	Board Resolution for issue of NCD 2019-20/C	Yes
20	CHG-09	18.06.2019	Creation of Charge for Debenture 2019-20/C	Yes
21	MGT-14	12.06.2019	Board Resolution for Creation of Charge NCD 2019-20/C	Yes
22	MGT-14	20.06.2019	Creation of Charge for Term Loan from MAS	Yes
23	CHG-01	25.06.2019	Board Resolution for Borrowing from MAS	Yes
24	MR-1	12.06.2019	Re-appointment of Whole-Time Director	No
25	MGT-14	12.06.2019	Special Resolution appointing Whole-Time Director	No
26	GNL-02	11.07.2019	PAS-04 NCD 2019-20/D	Yes
27	GNL-02	11.07.2019	PAS-05 NCD 2019-20/D	Yes
28	PAS-03	12.07.2019	Return of Allotment NCD 2019-20/D	Yes
29	MGT-14	12.07.2019	Board Resolution for issue of NCD 2019-20/D	Yes

SL No.	Forms	Date of Filing	Purpose of Filing	Filed whether within the period
30	CHG-09	16.07.2019	Creation of Charge for Debenture 2019-20/D	Yes
31	MGT-14	16.07.2019	Board Resolution for Creation of Charge NCD 2019-20/D	Yes
32	MGT-14	05.08.2019	Board Resolution approving Financial Statements	Yes
33	CHG-01	07.08.2019	Creation of Charge for Term Loan from IDFC FIRST BANK	Yes
34	MGT-14	07.08.2019	Board Resolution for Borrowing from IDFC FIRST BANK	Yes
35	GNL-02	27.08.2019	PAS-04 NCD 2019-20/E	Yes
36	GNL-02	27.08.2019	PAS-05 NCD 2019-20/E	Yes
37	PAS-03	31.08.2019	Return of Allotment NCD 2019-20/E	Yes
38	MGT-14	31.08.2019	Board Resolution for issue of NCD 2019-20/E	Yes
39	DIR-12	31.08.2019	Appointment & Resignation of Company Secretary	Yes
40	MGT-14	31.08.2019	Board Resolution appointing Company Secretary	Yes
41	CHG-1	05.09.2019	Charge created in favour of E Clear	Yes
42	MGT-14	06.09.2019	Board Resolution for Creation of Charge NCD 2019-20/E	Yes
43	MGT-14	08.10.2019	Special Resolution passed at AGM	Yes
44	CHG-9	09.09.2019	Creation of Charge for Debenture 2019-20/E	Yes
45	AOC-4	15.10.2019	Annual Filing 2019 (Financial Statements)	Yes
46	MGT-14	16.10.2019	Re-appointment of Director	Yes
47	DIR-12	17.10.2019	Appointment of Independent Director	Yes
48	MGT-7	17.10.2019	Annual Filing 2019 (Annual Return)	Yes
49	GNL-02	03.10.2019	PAS-04 NCD 2019-20/F	Yes
50	GNL-02	03.10.2019	PAS-05 NCD 2019-20/F	Yes
51	MGT-14	04.10.2019	Board Resolution for availing Term Loan	Yes
52	MGT-14	10.10.2019	Board Resolution for issue of NCD 2019-20/F	Yes
53	PAS-03	10.10.2019	Return of Allotment NCD 2019-20/F	Yes
54	MGT-14	16.10.2019	Board Resolution for Creation of Charge NCD 2019-20/F	yes
55	CHG-9	16.10.2019	Creation of Charge for Debenture 2019-20/F	Yes
56	CHG-1	22.10.2019	Charge Created in favour of Western Capital	Yes
57	GNL-02	02.11.2019	PAS-04 NCD 2019-20/G	Yes
58	GNL-02	02.11.2019	PAS-05 NCD 2019-20/G	Yes
59	MGT-14	06.11.2019	Board Resolution for issue of NCD 2019-20/G	Yes
60	PAS-03	06.11.2019	Return of Allotment NCD 2019-20/G	Yes
61	MGT-14	12.11.2019	Board Resolution for allotting Debentures	Yes
62	MGT-14	13.11.2019	Board Resolution for Creation of Charge NCD 2019-20/G	Yes

SL No.	Forms	Date of Filing	Purpose of Filing	Filed whether within the period
63	CHG-9	13.11.2019	Creation of Charge for Debenture 2019-20/G	Yes
64	PAS-3	10.12.2019	Return of Allotment of Equity shares	Yes
65	MGT-14	11.12.2019	Board Resolution issuing Equity Shares	Yes
66	GNL-2	14.12.2019	PAS-04 NCD 2019-20/H	Yes
67	GNL-2	14.12.2019	PAS-05 NCD 2019-20/H	Yes
68	MGT-14	21.12.2019	Board Resolution for issue of NCD 2019-20/H	Yes
69	PAS-03	21.12.2019	Return of Allotment NCD 2019-20/H	Yes
70	MGT-14	31.12.2019	Board Resolution for Creation of Charge NCD 2019-20/H	Yes
71	CHG-9	31.12.2019	Creation of Charge for Debenture 2019-20/H	Yes
72	PAS-3	15.01.2020	Return of Allotment of Equity shares	Yes
73	MGT-14	15.01.2020	Board Resolution issuing Equity Shares	Yes
74	GNL-2	21.01.2020	PAS-04 NCD 2019-20/J	Yes
75	GNL-2	21.01.2020	PAS-05 NCD 2019-20/J	Yes
76	MGT-14	23.01.2020	Board Resolution for issue of NCD 2019-20/J	Yes
77	PAS-03	23.01.2020	Return of Allotment NCD 2019-20/J	Yes
78	MGT-14	29.01.2020	Board Resolution for Creation of Charge NCD 2019-20/J	Yes
79	CHG-9	29.01.2020	Creation of Charge for Debenture 2019-20/J	Yes
80	GNL-2	24.02.2020	PAS-04 NCD 2019-20/K	Yes
81	GNL-2	24.02.2020	PAS-05 NCD 2019-20/K	Yes
82	MGT-14	26.02.2020	Board Resolution for issue of NCD 2019-20/K	Yes
83	PAS-03	26.02.2020	Return of Allotment NCD 2019-20/K	Yes
84	GNL-2	02.03.2020	PAS-04 NCD 2019-20/L	Yes
85	GNL-2	02.03.2020	PAS-05 NCD 2019-20/L	Yes
86	MGT-14	02-03-20	Board Resolution for issue of NCD 2019-20/L	Yes
87	PAS-03	02-03-20	Return of Allotment NCD 2019-20/L	Yes
88	MGT-14	05.03.2020	Board Resolution for Creation of Charge NCD 2019-20/K	Yes
89	CHG-9	05.03.2020	Creation of Charge for Debenture 2019-20/K	Yes
90	MGT-14	10.03.2020	Board Resolution for Creation of Charge NCD 2019-20/L	Yes
91	CHG-9	10.03.2020	Creation of Charge for Debenture 2019-20/L	Yes
92	GNL-2	27.03.2020	PAS-04 NCD 2019-20/M	Yes
93	GNL-2	27.03.2020	PAS-05 NCD 2019-20/M	Yes
94	MGT-14	27.03.2020	Board Resolution for issue of NCD 2019-20/M	Yes
95	PAS-03	27.03.2020R	eturn of Allotment NCD 2019-20/M	Yes

## ANNEXURE B

Details of allotment of securities during the Financial Year ended 31st March 2020.

SI No	Date	No. of Securities	Face Value	Total Nominal Amount	Type Securities
1	05.04.2019	10000	1,000/-	1,00,00,000.00	NCD
2	30.04.2019	3150	1,000/-	31,50,000.00	NCD
3	07.06.2019	4500	1,000/-	45,00,000.00	NCD
4	12.07.2019	2150	1,000/-	21,50,000.00	NCD
5	30.08.2019	3325	1,000/-	33,25,000.00	NCD
6	13.04.2019	2,25,000	10/-	22,50,000.00	Equity Shares
7	09.12.2019	500000	10/-	50,00,000.00	Equity
8	15.01.2020	162500	10/-	16,25,000.00	Equity
9	05.10.2019	6890	1000/-	68,90,000.00	NCD
10	05.11.2019	4050	1000/-	40,50,000.00	NCD
11	16.12.2019	5035	1000/-	50,35,000.00	NCD
12	22.01.2020	3100	1000/-	31,00,000.00	NCD
13	25.02.2020	7450	1000/-	74,50,000.00	NCD
14	02.03.2020	2310	1000/-	23,10,000.00	NCD
15	26.03.2020	1240	1000/-	12,40,000.00	NCD



## INDEPENDENT AUDITORS' REPORT

To the Members of  
M/s. Tattva Fincorp Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of M/s. TATTVA FINCORP LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31st March, 2020, of its profit, change in equity and 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.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

### Information other than Financial statements and auditor's report thereon

The Company's board of directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in

accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or the cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. This Report include, a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013. The same is given in the Annexure A.
2. Our report on the internal financial controls of the Company as required under clause (i) of sub – section (3) of Section 143 of the Companies Act, 2013 is given as Annexure B.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet and the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- e) On the basis of written representations received from the directors as on 31st March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on that date, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Ernakulam  
Date : 27-10-2020

## Annexure A

Referred to in Paragraph 1 under the heading "Report on Other Legal & Regulatory Requirement" of our report of even date to the members of M/s. TATTVA FINCORP LIMITED on the accounts of the Company for the year ended 31st March, 2020.

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management in a phased manner.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. In our opinion and according to the information and explanation given to us, the nature of the Company's business is such that it is not required to hold any inventories. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.
3. The Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the C and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
5. According to the information and explanations given to us, the Company has not accepted deposits from the public. Therefore directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, shall not apply to the Company.
6. As informed to use, the maintenance of Cost records has not been prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013, in respect of the activities carried on by the Company. Thus, reporting under clause 3(vi) of the Order is not applicable to the Company.
7. In respect of statutory dues:
  - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been regularly deposited with the appropriate authorities. Hence, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date of becoming payable.
  - b) According to records of Company, there are no dues of Income Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax or Cess have not been deposited on account of any dispute.
8. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
9. Based upon the audit procedures performed and the information and explanations given by the management, the Company has raised money by way of issue of bond and the money raised has been applied for the purpose for which they have been raised.
10. Based upon the audit procedures and the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks, bond and debenture holders.

11. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.
13. In our opinion and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
14. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company and hence not commented upon.
15. The Company is required to be registered under Section 45-IA of the Reserve bank of India Act, 1934 and has obtained the registration.

Place : Ernakulam  
Date : 27-10-2020



## Annexure B

Referred to in Paragraph 2 under the heading "Report on Other Legal & Regulatory Requirement" of our report of even date to the members of M/s. TATTVA FINCORP LIMITED on the accounts of the Company for the year ended 31st March, 2020.

### **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. TATTVA FINCORP LIMITED ("the Company") as of 31st March, 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 (the 'Standards') 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

### **Meaning of Internal Financial Controls with reference to 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 (i) 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.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 issued by the Institute of Chartered Accountant of India.

Place : Ernakulam

Date : 27-10-2020

**TATTVA FINCORP LIMITED**

CIN : U65921TZ1996PLC007015

F-1, First Floor, Balaji Castle No:11, Father Randy Street, R.S Puram, Coimbatore  
Tamil Nadu 641002

**BALANCE SHEET AS AT MARCH 31, 2020**

Amount in ₹

Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	3	13,63,90,000	12,75,15,000
(b) Reserves and surplus	4	2,75,41,750	99,45,866
(c) Share application money pending allotment		-	2,50,000
<b>(2) Non-current liabilities</b>			
(a) Long term borrowings	5	23,46,41,247	26,15,31,630
<b>(3) Current liabilities</b>			
(a) Short term borrowings	6	1,90,26,280	16,31,720
(b) Other current liabilities	7	17,60,51,026	21,54,50,370
(c) Short term provisions	8	1,40,61,963	49,45,836
<b>TOTAL</b>		<b>60,77,12,266</b>	<b>62,12,70,422</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Property, plant and equipment	9(i)	1,92,79,847	2,18,40,548
(ii) Intangible assets	9(ii)	14,92,843	20,74,214
(b) Deferred tax assets		16,77,787	1,69,092
(c) Long term loans and advances			
(i) Financial assets	10(i)	31,26,37,464	33,26,95,150
(ii) Other assets	10(ii)	4,48,08,441	2,87,97,909
<b>(2) Current assets</b>			
(a) Cash and cash equivalents	11	61,63,909	3,24,17,085
(b) Short-term loans and advances			
(i) Financial assets	12(i)	18,42,34,951	19,65,81,929
(ii) Other assets	12(ii)	97,04,153	1,23,52,635
(c) Other current assets	13	2,77,12,871	(56,58,141)
<b>TOTAL</b>		<b>60,77,12,266</b>	<b>62,12,70,422</b>

See accompanying notes to the financial statements 1, 2

For and on behalf of the Board of Directors,

As per our report of even date attached

**C VIJAYAKUMARANNAIR**  
Managing Director

DIN: 7702882

**AMITH MADHAVAN**  
Director

DIN: 7702830

**For AJOHN MORRIS & CO.,**  
Chartered Accountants  
FRN: 007220S

**SETHUMADHAVAN**  
Chief Financial Officer

**SHINUMONKS**  
Company Secretary

CA ABIJITH SATHEESH, B.Com, FCA  
Partner  
M.No.234882

Place: Thrissur  
Date: 27-10-2020  
UDIN:20234822AAAAEZ8027

**TATTVA FINCORP LIMITED**

CIN : U65921TZ1996PLC007015

F-1, First Floor, Balaji Castle No:11, Father Randy Street, R.S Puram, Coimbatore  
Tamil Nadu 641002

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**
*Amount in ₹*

Particulars		Note No.	Year ended 31-03-2020	Year ended 31-03-2019
<b>I</b>	Revenue from operations	14	15,31,70,276	12,26,55,832
<b>II</b>	Other income	15	33,82,810	15,03,778
<b>III</b>	<b>Total Revenue (I+II)</b>		<b>15,65,53,086</b>	<b>12,41,59,610</b>
<b>IV</b>	<b>Expenses</b>			
	(i) Employee benefits expense	16	3,21,80,725	2,62,53,163
	(ii) Finance cost	17	6,71,53,395	5,34,79,490
	(iii) Depreciation and amortisation expense	9	58,89,233	49,56,409
	(iv) Other expenses	18	3,82,73,521	3,06,82,891
	<b>Total Expenditure</b>		<b>14,34,96,873</b>	<b>11,53,71,954</b>
<b>V</b>	<b>Profit before exceptional, extraordinary items and tax (III-IV)</b>		<b>1,30,56,213</b>	<b>87,87,656</b>
<b>VI</b>	Exceptional items		-	-
<b>VII</b>	<b>Profit before extraordinary items and tax (V-VI)</b>		1,30,56,213	87,87,656
<b>VIII</b>	Extraordinary items		-	-
<b>IX</b>	<b>Profit before tax (VII-VIII)</b>		1,30,56,213	87,87,656
<b>X</b>	<b>Tax expense:</b>			
	(a) Current tax expense for current year		54,02,680	21,89,705
	(e) Deferred tax		(15,08,694)	(6,85,018)
			<b>38,93,986</b>	<b>15,04,687</b>
<b>XI</b>	<b>Profit (Loss) for the period (IX-X)</b>		<b>91,62,227</b>	<b>72,82,969</b>
<b>XII</b>	<b>Earnings per share (of ₹ 10/- each):</b>			
	(a) Basic		0.69	0.99
	(b) Diluted		0.69	0.99
	(ii) Total operations	30.9.f		

**See accompanying notes forming part of the financial statements 1,2**
**For and on behalf of the Board of Directors,**
**As per our report of even date attached**
**C VIJAYAKUMARAN NAIR**  
Managing Director  
DIN: 7702882

**AMITH MADHAVAN**  
Director  
DIN: 7702830

**For A.JOHN MORRIS & CO.,**  
Chartered Accountants  
FRN:0072205

**SETHUMADHAVAN**  
Chief Financial Officer

**SHINUMONKS**  
Company Secretary

CA ABIJITH SATHEESH, B.Com, FCA  
Patrner  
M.No.234882

Place: Thrissur  
Date: 27-10-2020  
UDIN:20234822AAAAEZ8027

**TATTVA FINCORP LIMITED**

CIN : U65921TZ1996PLC007015

F-1, First Floor, Balaji Castle No:11, Father Randy Street, R.S Puram, Coimbatore  
Tamil Nadu 641002

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**
*Amount in ₹*

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	1,30,56,213	87,87,656
<i>Adjustments for:</i>		
Depreciation and amortisation	58,89,233	49,56,409
Interest income on FD	(28,92,560)	(15,03,778)
<b>Provisions/Written off for Receivables under Financing Activity</b>	75,72,125	14,65,600
Operating profit / (loss) before working capital changes	2,36,25,010	1,37,05,887
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Short-term loans and advances	1,49,95,460	(2,47,63,105)
Other current assets	(3,55,59,227)	(15,11,585)
Long term Loans and advances	2,00,57,686	(29,18,52,150)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Other current liabilities	(3,93,99,343)	3,34,20,431
Short term provisions	(16,70,463)	4,61,000
Short term borrowings	1,73,94,560	(83,86,657)
	(2,41,81,328)	(29,26,32,065)
	(5,56,318)	(27,89,26,178)
Cash flow from extraordinary items	-	-
Cash generated from operations	(5,56,318)	(27,89,26,178)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>5,56,318</b>	<b>(27,89,26,178)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets	(27,35,063)	(95,91,796)
Capital expenditure on intangible assets	(4,53,440)	(12,95,465)
Interest received on FD	28,92,560	15,03,778
Investment in FD	(1,60,10,532)	(2,77,97,736)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(1,63,06,475)</b>	<b>(3,71,81,219)</b>

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<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	1,75,00,000	3,87,40,000
Net proceeds / (repayment) from long-term borrowings	(2,68,90,384)	30,13,91,617
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(93,90,384)</b>	<b>34,01,31,617</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(2,62,53,177)</b>	<b>2,40,24,220</b>
Cash and cash equivalents at the beginning of the year	3,24,17,085	83,92,865
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents at the end of the year	—	—
<b>Cash and cash equivalents at the end of the year</b>	<b>61,63,909</b>	<b>3,24,17,085</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 11)	61,63,909	3,24,17,085
<b>Cash and cash equivalents at the end of the year *</b>	<b>61,63,909</b>	<b>3,24,17,085</b>
* Comprises:		
(a) Cash in hand	59,08,434	37,38,377
(b) Cheques, drafts in hand		
(i) In current accounts	2,55,475	2,86,78,708
	<b>61,63,909</b>	<b>3,24,17,085</b>
<b>Notes:</b>		
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.		
See accompanying notes forming part of the financial statements		
<b>For and on behalf of the Board of Directors,</b>		<b>As per our report of even date attached</b>
<b>C VIJAYAKUMARAN NAIR</b> Managing Director DIN: 7702882	<b>AMITH MADHAVAN</b> Director DIN: 7702830	<b>For AJOHN MORRIS &amp; CO.,</b> Chartered Accountants FRN:0072205
<b>SETHUMADHAVAN</b> Chief Financial Officer	<b>SHINUMON K S</b> Company Secretary	<b>CA ABIJITH SATHEESH, B.Com, FCA</b> Partner M.No.234882
Place: Thrissur Date: 27-10-2020 UDIN:20234822AAAAEZ8027		



# TATTVA FINCORP LIMITED

CIN : U65921TZ1996PLC007015

F-1, First Floor, Balaji Castle No:11, Father Randy Street, R.S Puram, Coimbatore  
Tamil Nadu 641002

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

### 1. Corporate Information

M/s TATTVA FINCORP LIMITED is registered with the Coimbatore Registrar of Companies as a Public Limited Company on 8th March, 1996 vide Registration no. U65921TZ1996PLC007015. 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. B-07-00612 dated 14th June, 2001. The registered address is F-1, First Floor, Balaji Castle No:11, Father Randy Street, R.S Puram Coimbatore Tamil Nadu – 641002.

### 2. Summary of Significant accounting policies

#### 2.1 Basis of Preparation & Presentation of Financial statements

The financial statements of the Company are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 and / or Companies Act, 1956, as applicable. The financial statements are prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The Company follows prudential norms for income recognition, asset classification and provisioning as prescribed by Reserve Bank of India vide Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

During the year ended March 31, 2020, The Company has complied with Schedule III notified under the Companies Act 2013, for preparation and presentation of its financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### 2.2 Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. The estimates and assumptions used in the financial statements are based upon the Management's evaluation of the relevant facts and circumstances as on the date of financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### 2.3 Property, Plant and Equipments

Property, Plant and Equipments are stated at cost less accumulated depreciation. The cost includes purchase consideration, financing costs till commencement of commercial production and other directly attributable costs incurred to bring an Asset to its working condition for its intended use. Subsidy received towards specific assets is reduced from the cost of Property, Plant and Equipments.

##### Depreciation on Property, Plant and Equipments

Depreciation on Property, Plant and Equipments is provided on the written down value of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged.

Asset	Useful Life
Furniture and fixtures	10 years
Computer	3 years
Vehicles	8 years
Electrical and mechanical	5 years

Pursuant to the enactment of Companies Act, 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly, the unamortized carrying value is being depreciated/amortized over the revised/remaining useful lives.

## 2.4 Intangible Assets

Intangible assets are stated at their historical cost and amortized on a straight-line basis over their expected useful lives, which usually varies from 3 to 10 years and up to 20 years for patents. An adjustment is made for any impairment.

Asset	Useful Life
Computer software	3 years

## 2.5 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred. There are no borrowing costs during the year.

## 2.6 Impairment

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An enterprise should assess at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists; the enterprise should estimate the recoverable amount of the asset and no asset impairment during the year.

## 2.7 Leases

Leases where the lessor effectively retains substantially all risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments in respect of non-cancellable leases are recognized as an expense in the profit and loss account on a straight-line basis over the lease term. No lease transaction in the current year

## 2.8 Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. There is no long term or short-term investment in the current year.

## 2.9 Foreign currency transaction

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability. Exchange differences on restatement of all other monetary items are recognized in the Statement of Profit and Loss.

Foreign operations are classified as either 'integral' or 'non-integral' operation. Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment, at which time they are recognized as income or as expenses. The financial statements of an integral foreign operation are translated using the principles and procedures as if the transactions of the foreign operation are those of the Company itself. There are no foreign currency dealings during the year.

## 2.10 Revenue Recognition

Revenues are recognized and expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses. Revenue is recognized to the extent it is realizable wherever there is uncertainty in the ultimate collection. Income from Non-Performing Assets is recognized only when it is realized. Interest income on deposits are recognized on time proportionate basis.

During the year a liability to sundry creditors have been written off to Profit and Loss account and shown under other income.

## 2.11 Employee Benefits

No provision has been made for Bonus, Gratuity since they are not applicable to the company for the current year.

## 2.12 Taxes on Income

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to statement of profit and loss are credited to the securities premium reserve.

## 2.13 Deferred Tax Assets/Liabilities

The Company has provided deferred tax assets/liability in accordance with Accounting Standard -22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. The detailed workings are given below.

Particulars	2019-20	2018-19
Balance in the beginning	1,69,092	(5,15,926)
(Less) Create/(Reserved) during the year	15,08,695	6,85,018
Balance at the end	16,77,787	1,69,092

## 2.14 Segment Reporting

Since the company operates in single segment , no further disclosure is required to be given as per the notified AS-17 'Segment Reporting'.

## 2.15 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## 2.16 Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognised only when the Company has present, legal or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation.

## 2.17 Provision for Standard Assets and non-performing Assets

The Company makes provision for standard assets and non-performing assets as per Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. Provision for standard assets in excess of the prudential norms, as estimated by the management, is categorised under Provision for Standard Assets, as General provisions and/or as Gold Price Fluctuation Risk provisions.

## 2.18 Related Party Disclosures

Transaction with Key Managerial Personnel, party who has the ability to influence and their relatives should be considered as a related party transaction requiring disclosure under Accounting Standard -18.

The following parties come under the purview of Related Parties, to comply with the disclosure requirement of Companies (Accounting Standard) Rules, 2016.

### (a) List of related parties and relationship

Sl No.	Name and particulars of Related parties	Relationship with the company
1.	Chakkadath Vijayakumaran Nair	Managing Director
2.	Sanal Venugopal Menon	Director
3.	Amith Madhavan	Director
4.	Muthuraman	Director
5.	Puthamveetil Raman Sathiyarayanan	Director
6.	Shinumon K S	Company Secretary
7.	Nandialath Sethumadhavan	Chief Financial Officer

To comply with the disclosure requirement of Companies (Accounting Standard) Rules, 2006 the following transactions with the related parties are shown as per the AS-18 related party disclosure.

**(b) Transaction during the year**

SI No.	Particulars	Amount in ₹
1	Remuneration to 'Mr. CVijaykumaran Nair	29,45,484
2	Remuneration to 'Mr. Amith Madhavan	11,84,194
3	Remuneration to 'Mr. Sathyanarayanan	17,71,290
4	Remuneration to 'CS. Shinumon KS	3,94,000
5	Remuneration to Mr. Sethumadhavan	6,15,806
6	Short Terms borrowing from Mr. Amit Madhavan	3,58,08,368
7	Short Terms borrowing from Mr. CVijayakumaran Nair	12,00,000
8	Short term Borrowings repaid to Mr. Amit Madhavan	1,86,13,808
9	Short Terms borrowing repaid to Mr. CVijayakumaran Nair	10,00,000
10	Interest Paid to to Mr. Amit Madhavan	4,89,563
11	Interest Paid to to Mr. CVijayakumaran Nair	60,274

### Note 3 Share capital

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
(a) Authorised Equity shares of ₹ 10 each with voting rights	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
(b) Issued Equity shares of ₹ 10 each with voting rights	1,36,39,000	13,63,90,000	1,27,51,500	12,75,15,000
(c) Subscribed and fully paid up Equity shares of ₹ 10 each with voting rights	1,36,39,000	13,63,90,000	1,27,51,500	12,75,15,000
<b>Total</b>	<b>1,36,39,000</b>	<b>13,63,90,000</b>	<b>1,27,51,500</b>	<b>12,75,15,000</b>

#### Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Fresh issue	ESOP/Bonus issue	Closing\ Balance
Equity shares with voting rights				
Year ended 31 March, 2020				
- Number of shares	1,27,51,500	8,87,500	-	1,36,39,000
- Amount (Rs. 10)	<b>12,75,15,000</b>	88,75,000	-	<b>13,63,90,000</b>
Year ended 31 March, 2019				
- Number of shares	21,00,000	1,06,51,500	-	1,27,51,500
- Amount (Rs. 10)	<b>2,10,00,000</b>	10,65,15,000	-	<b>12,75,15,000</b>

(ii) Details of shareholders holding more than 5% shares in the company (as on 31.3.2020)

Particulars	31.03.2020		31.03.2019	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Mr. C Vijaya Kumar	23,87,500	18%	22,85,000	18%
Mr. Amith Madhavan	7,40,000	5%	7,50,000	6%
Mr. PR Sathyanarayanan	15,00,000	11%	15,00,000	12%



#### Note 4 Reserves and surplus

Particulars	As at 31-03-2020	As at 31-03-2019
<b>(a) Statutory Reserve (Refer Note (i) below)</b>		
Opening balance	42,15,956	27,59,363
Add: Additions / transfers during the year	18,32,445	14,56,594
Closing balance	<b>60,48,401</b>	<b>42,15,956</b>
<b>(b) Security Premium</b>		
Opening balance	72,25,000	-
Add: Additions / transfers during the year	88,75,000	72,25,000
Less: Utilisations / transfers during the year	-	-
Closing balance	<b>1,61,00,000</b>	<b>72,25,000</b>
<b>(c) Revaluation reserve</b>	<b>(4,41,343)</b>	-
<b>(d) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(14,95,091)	(73,21,466)
Add: Profit / (Loss) for the year	91,62,227	72,82,969
Statutory Reserves	(18,32,445)	(14,56,594)
Closing balance	<b>58,34,691</b>	<b>(14,95,091)</b>
<b>Total</b>	<b>2,75,41,750</b>	<b>99,45,866</b>

Note 1: The Company has transferred 20% of the Profit after Tax to the Statutory reserves in accordance with the Provisions of Section 45-IC of The Reserve Bank of India Act, 1934

#### Note 5 Long-term borrowings

Particulars	Non-Current Portion		Current Maturities	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
<b>Secured Loans (refer note below)</b>				
IDFC First Bank Limited	6,57,96,101	7,89,05,584	4,31,09,483	6,12,63,408
MAS Financial services Limited	33,53,586	4,27,08,361	6,14,75,137	11,62,49,977
AU Bank	62,50,007	2,70,83,337	2,08,33,330	2,29,16,663
Eclear Leasing and Finance	9,42,608	-	1,18,06,102	-
Western Capital Advisors	20,98,934	-	1,23,45,511	-
Car loan	5,90,011	7,77,348	1,87,337	1,71,272
Debenture account	9,72,27,000	5,36,74,000	72,00,000	34,75,000
<b>Unsecured Loans</b>				
Sub-ordinated bonds	5,83,83,000	5,83,83,000	-	-
<b>Total</b>	<b>23,46,41,247</b>	<b>26,15,31,630</b>	<b>15,69,56,900</b>	<b>20,40,76,320</b>
This amount is shown under other current liabilities - Note 7	-	-	15,69,56,900	20,40,76,320

**Note: Details of borrowings as on 31-03-2020**

Sl No.	Name of Bank/ Institution	Type of Sanction	Date Of Sanction	Sanction Amount (Rs in Crores)	ROI (%)	Tenure In (months)	Secured / Unsecured
1	IDFC FIRST BANK Ltd.	Term Loan	18/10/2017	2.00	14.00%	36	Secured : charge on the portfolio
2	IDFC FIRST BANK Ltd.	Term Loan	14/12/2017	3.00	14.00%	36	Secured : charge on the portfolio
3	IDFC FIRST BANK Ltd.	Term Loan	27/01/2018	2.00	14.00%	36	Secured : charge on the portfolio
4	IDFC FIRST BANK Ltd.	Term Loan	27/02/2018	3.00	14.00%	45	Secured : charge on the portfolio
5	IDFC FIRST BANK Ltd.	Term Loan	11/09/2018	5.00	14.25%	39	Secured : charge on the portfolio
6	IDFC FIRST BANK Ltd.	Term Loan	31/10/2018	3.00	14.75%	33	Secured : charge on the portfolio
7	IDFC FIRST BANK Ltd.	Term Loan	31/07/2019	3.00	14.50%	24	Secured : charge on the portfolio
8	AU SMALL FINANCE BANK	Term Loan	30/04/2018	5.00	14.75%	36	Secured : charge on the portfolio
9	MAS Financial Services Ltd.	Term Loan	31/03/2018	1.00	15.00%	24	Secured : charge on the portfolio
10	MAS Financial Services Ltd.	Term Loan	29/05/2018	5.00	14.75%	24	Secured : charge on the portfolio
11	MAS Financial Services Ltd.	Term Loan	29/06/2018	5.00	14.75%	24	Secured : charge on the portfolio
12	MAS Financial Services Ltd.	Term Loan	16/10/2018	1.50	15.75%	24	Secured : charge on the portfolio
13	MAS Financial Services Ltd.	Term Loan	06/11/2018	1.50	15.75%	24	Secured : charge on the portfolio
14	MAS Financial Services Ltd.	Term Loan	24/12/2018	1.50	15.75%	24	Secured : charge on the portfolio
15	MAS Financial Services Ltd.	Term Loan	17/03/2019	2.00	15.75%	24	Secured : charge on the portfolio
16	MAS Financial Services Ltd.	Term Loan	31/05/2019	2.00	15.75%	24	Secured : charge on the portfolio
17	MAS Financial Services Ltd.	Term Loan	31/03/2019	5.00	15.75%	24	Secured : charge on the portfolio
18	E Clear Leasing and Finance Pvt Ltd.	Term Loan	21/08/2019	2.00	15.00%	18	Secured : charge on the portfolio
19	Western Capital Advisors pvt Ltd.	Term Loan	30/09/2019	2.00	15.00%	18	Secured : charge on the portfolio
20	ICICI Bank	Car Loan	31/10/2018	0.10	9.00%	60	Secured : hypothecation on vehicle
	<b>54.60</b>						
21	Sub-ordinated bonds		NA	NA	12.00%	End of 5th Year	Unsecured
22	Debenture		NA	NA	12.50%	End of first year to 5th Year	Secured : charge on the portfolio
23	Directors loan		NA	NA	12.00%	-	Unsecured

**Note 6 Short-term borrowings**
*Amount in ₹*

Particulars	As at 31-03-2020	As at 31-03-2019
<b>Unsecured</b>		
Loan from directors	1,90,26,280	16,31,720
<b>Total</b>	<b>1,90,26,280</b>	<b>16,31,720</b>

**Note 7 Other current liabilities**
*Amount in ₹*

Particulars	As at 31-03-2020	As at 31-03-2019
Current maturities of long-term borrowings	15,69,56,900	20,40,76,320
TDS payable	7,97,170	7,75,942
Audit fees payable	2,25,000	2,25,000
Employee expenses payable	17,24,106	1,36,708
Rent payable	6,49,040	5,58,466
GST payable	17,03,227	16,44,408
Interest payable	94,34,371	39,72,525
Sundry creditors for expenses and asset purchase	40,72,522	37,35,394
Other payables	4,88,691	3,25,608
<b>Total</b>	<b>17,60,51,026</b>	<b>21,54,50,370</b>

**Note 8 Short-term provisions**
*Amount in ₹*

Particulars	As at 31-03-2020	As at 31-03-2019
Provision for tax	37,00,300	21,89,705
Provision for gratuity	6,44,407	6,11,000
Provision for loan assets	97,17,256	21,45,131
<b>Total</b>	<b>1,40,61,963</b>	<b>49,45,836</b>

**Note 10 Long-term loans and advances**
*Amount in ₹*

Particulars	As at 31-03-2020	As at 31-03-2019
<b>(i) Financial assets :</b>		
Secured : Non-current maturities of financial assets	31,26,37,464	33,26,95,150
<b>(ii) Other assets :</b>		
Deposits	4,48,08,441	2,87,97,909
<b>Total</b>	<b>35,74,45,905</b>	<b>36,14,93,059</b>

**Note 11 Cash and cash equivalents**
*Amount in ₹*

Particulars	As at 31-03-2020	As at 31-03-2019
Cash in hand	59,08,434	37,38,377
Balances with banks	2,55,475	2,86,78,708
<b>Total</b>	<b>61,63,909</b>	<b>3,24,17,085</b>

**Note 12 Short-term loans and advances**
*Amount in ₹*

Particulars	As at 31-03-2020	As at 31-03-2019
<b>(i) Financial assets :</b>		
Secured: current maturities of long-term financial assets	18,42,34,951	19,65,81,929
<b>(ii) Other assets :</b>		
Rent deposits	45,63,000	40,88,000
Electricity deposit	1,78,358	1,17,435
Advance EMI on term loans	18,75,000	12,50,000
Sundry advances	29,63,870	67,74,574
Other deposits	1,23,925	1,22,626
<b>Total</b>	<b>19,39,39,104</b>	<b>20,89,34,564</b>

**Note 13 Other current assets**
*Amount in ₹*

Particulars	As at 31-03-2020	As at 31-03-2019
Interest receivable on loans	2,22,69,550	1,18,10,122
Balance in book keeping account	49,88,162	(1,89,45,345)
GST input	1,90,584	12,04,957
IT Refund	2,64,575	2,72,125
<b>Total</b>	<b>2,77,12,871</b>	<b>(56,58,141)</b>

**Note 14 Revenue from operations**
*Amount in ₹*

Particulars	As at 31-03-2020	As at 31-03-2019
Interest income	12,53,81,815	10,47,59,397
Direct income	2,77,88,461	1,78,96,435
<b>Total</b>	<b>15,31,70,276</b>	<b>12,26,55,832</b>

**Note 15 Other income**
*Amount in ₹*

Particulars	As at 31-03-2020	As at 31-03-2019
Interest on Fixed Deposit and collateral security	28,92,560	15,03,778
Creditors written off	4,90,250	-
<b>Total</b>	<b>33,82,810</b>	<b>15,03,778</b>

**Note 16 Employee benefits expense**
*Amount in ₹*

Particulars	As at 31-03-2020	As at 31-03-2019
Salaries and wages	2,50,11,256	2,03,93,219
Directors remuneration	58,70,968	48,25,000
Staff welfare expenses	9,15,094	5,73,944
Provision for gratuity	3,83,407	4,61,000
<b>Total</b>	<b>3,21,80,725</b>	<b>2,62,53,163</b>

**Note 17 Finance costs**
*Amount in ₹*

Particulars	As at 31-03-2020	As at 31-03-2019
Interest expense on:		
Directors loan	5,49,842	7,70,565
Term loan	4,67,34,770	3,87,67,623
Sub-ordinated bonds	77,21,504	74,27,106
Debentures	1,02,53,660	26,86,744
Car loan	78,424	31,952
Processing fees	18,15,195	37,95,500
<b>Total</b>	<b>6,71,53,395</b>	<b>5,34,79,490</b>

**Note 18 Other expenses**
*Amount in ₹*

Particulars	As at 31-03-2020	As at 31-03-2019
Legal and professional charges	12,41,110	13,60,820
Newspaper and periodicals	7,042	4,714
Bank charges	7,42,159	6,03,663
Donations	11,350	14,600
Business promotion expenses	12,41,746	2,61,953
ROC charges	3,86,620	11,95,200
Rent	64,95,561	56,02,964
Repairs and maintenance	10,46,762	9,60,368
Discount allowed	44,272	12,53,307
Telephone and internet charges	8,71,714	7,81,327
Credit bureau charges	4,09,941	82,334
Rates and taxes	2,16,621	5,57,845
Travelling and conveyance	11,93,570	10,38,397
Electricity charges	12,96,114	11,07,871
Printing and stationery	6,31,621	8,63,339
Advance write off	-	1,00,000
Insurance charges	37,973	34,379
Postage and courier	1,81,610	1,15,830
Payments to auditors	2,50,000	2,67,943
GST	1,43,677	46,068
Meeting expenses	94,740	3,26,772
Software expenses	11,13,615	2,54,602
Deferred revenue expenditure account	4,38,757	4,38,757
Commission expenses	1,26,04,823	1,19,44,241
Provision for loan assets	75,72,125	14,65,600
<b>Total</b>	<b>3,82,73,521</b>	<b>3,06,82,891</b>

**Note No.: 9 (i) Property, plant and equipment**

Name of the Asset	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	01.04.2019	Additions	Deletions/ Adjustment	31.3.2020	01.04.2019	Dep for the year	31.03.2020	31.03.2020	31.03.19
Furniture & Fixtures	1,43,50,072.97	16,42,090	88,464	1,59,03,699	25,04,393	14,72,172	39,76,565	1,19,27,134	1,18,45,680
Computers	42,46,131.50	3,48,895	-	45,95,027	18,81,799	14,58,072	33,39,871	12,55,155	23,64,332
Vehicles	11,04,507.72	-	-	11,04,508	53,901	3,91,133	4,45,035	6,59,473	10,50,606
Electrical & Mechanical	77,83,953.50	7,44,078	3,52,878	81,75,153	12,04,024	15,33,043	27,37,067	54,38,086	65,79,930
<b>Total</b>	<b>2,74,84,665.69</b>	<b>27,35,063</b>	<b>4,41,343</b>	<b>2,97,78,386</b>	<b>56,44,118</b>	<b>48,54,421</b>	<b>1,04,98,538</b>	<b>1,92,79,847</b>	<b>2,18,40,548</b>

**Note No.: 9 (ii) Intangible assets**

Name of the Asset	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	01.04.2019	Additions	Deletions/ Adjustment	31.3.2020	01.04.2019	Dep for the year	31.03.2020	31.03.19	
Software & Trademark	29,59,346.00	4,53,440	-	34,12,786	8,85,132	10,34,812	19,19,943	20,74,214	
<b>Total</b>	<b>29,59,346.00</b>	<b>4,53,440</b>	<b>-</b>	<b>34,12,786</b>	<b>8,85,132</b>	<b>10,34,812</b>	<b>19,19,943</b>	<b>20,74,214</b>	



**TATTVA FINCORP LIMITED**

CIN : U65921TZ1996PLC007015

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**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
<b>1</b>	<b>Standard</b>					
	a) Regular	42,69,18,950.85	42,69,18,950.85	0.25%	10,67,297.00	<b>10,67,297.00</b>
<b>2</b>	<b>Substandard</b>					
	a) Six Months to EighteenMonths	5,39,88,410.22	<b>5,39,88,410.22</b>	10%	53,98,841.00	53,98,841.00
<b>3</b>	<b>Doubtful</b>	1,59,65,054.38	1,59,65,054.38	20%	31,93,011.00	31,93,011.00
		1,93,690.43	1,93,690.43	30%	58,107.13	58,107.13
<b>4</b>	<b>Loss of Assets (*)</b>	-	-	100%	-	-
<b>5</b>	<b>Additional Provision</b>	-	-	0.00%	-	-
	<b>Totals</b>	<b>49,70,66,105.88</b>	<b>49,70,66,105.88</b>		10,67,297.00	<b>97,17,256.13</b>
<b>6</b>	<b>Add: Staff Loans</b>	-	-			-
	<b>Total Portfolio</b>	<b>49,70,66,105.88</b>	<b>49,70,66,105.88</b>			<b>97,17,256.13</b>
<b>7</b>	<b>Less: Managed Loans</b>	-	-			-
	<b>Net Portfolio</b>	<b>49,70,66,105.88</b>	<b>49,70,66,105.88</b>			<b>97,17,256.13</b>

## Calculation of Capital Adequacy Ratio as at March 31, 2020

Particulars	Subtotals ₹	Totals ₹	Totals ₹
<b>Tier I Capital</b>			
<b>Add:</b>			
1. Share capital	13,63,90,000		
2. Compulsorily Convertible preference shares	-		
3. Free reserves	58,34,691		
4. Share premium (balance in the account)	1,61,00,000		
5. Capital reserve (rep. sur+ of sale proceeds of asset)	(4,41,343)		
6. Special Reserves u/s 45-IC	60,48,401	<b>16,39,31,750</b>	
<b>Less:</b>			
1. Accumulated loss in balance sheet	-		
2. Book value of intangible assets	14,92,843		
3. Deferred revenue expenditure	25,55,301	40,48,143	
<b>Net owned fund</b>		<b>15,98,83,606</b>	
<b>Less:</b>			
1. Shares in other NBFCs		-	
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.		-	
Less: 50% of securitisation collateral		-	
<b>Tier I Capital</b>		<b>15,98,83,606</b>	
<b>Tier II Capital</b>			
<b>Add:</b>			
1. Preference shares other than compulsorily convertible shares	-		
2. Revaluation reserve at discounted rate of 55%	(1,98,604)		
3. General provisions and loss reserves to the extent of (1 & 1/4)% of risk weighted assets.	-		
4. Hybrid debt and capital instruments	-		
5. Subordinated debt - Discounted Value (40%)	-		
To the extent the discounting value does not exceeding 50% of Tier-I Capital	3,50,29,800		
Less: 50% of securitisation collateral	-		
	<b>3,48,31,196</b>		
<b>Limited to the extent of Tier I and II for the purpose of capital adequacy</b> (the total tier II capital at any point of time shall not exceed 100% of tier I)		3,48,31,196	
<b>Tier II Capital</b>		<b>3,48,31,196</b>	
<b>Total of Tier I &amp; Tier II Capital</b>			<b>19,47,14,802</b>

Asset particulars	Amount ₹	% of weight	Risk adjusted amount ₹
Cash and Bank balances	61,63,909	0%	-
Bank Balances in earmarked accounts as collateral	4,48,08,441	0%	-
Bank Balances in earmarked accounts as collateral for securitisation*	-	0%	-
Bank Balances in earmarked accounts as collateral for securitisation in excess of requirement*	-	0%	-
Investments	-	100%	-
Loans and advances	49,68,72,415	100%	49,68,72,415
Tangible assets net of depreciation	1,92,79,847	100%	1,92,79,847
Intangible assets net of amortisation*	14,92,843	0%	-
<b>Other assets</b>			
a) TDS-income tax (net of provision)	2,64,575	0%	-
b) Advance tax paid (net of provision)	-	0%	-
c) Unamortised Expenses*	8,93,548	0%	-
d) Others to be specified		100%	-
DTA	16,77,787	100%	16,77,787
GST Input	1,90,584	100%	1,90,584
Advances & Deposit	88,10,605	100%	88,10,605
Other Receivables	2,72,57,713	100%	2,72,57,712.59
<b>Total risk weighted assets</b>	<b>60,77,12,266</b>		<b>55,40,88,951</b>
<b>CRAR</b>			<b>35.14%</b>

\*As per RBI instructions, assets deducted to arrive at NOF have a risk weight of 0%.



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