

M.S. SOAND & CO.,

CHARTERED ACCOUNTANTS

**12-A, Guru Gobind Singh Nagar, Near Guru Teg Bahadur Nagar,
Jalandhar – 144003.**

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMRIT HIRE PURCHASE LIMITED, JALANDHAR

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **AMRIT HIRE PURCHASE LIMITED, JALANDHAR** which comprises the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under and the Order under section 143(11) of the Act.



We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting and the operative effectiveness of such controls.. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors , as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a. In the case of Balance Sheet, of the state of the Company's affairs as at 31st March, 2017
- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date.
- c. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2016 issued by the Department of Company Affairs, Central Government of India in terms of section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that :
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.



b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts of the Company.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;.

e) On the basis of written representations received from the directors of the Company as on 31st March, 2017 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2017 from being appointed as a director of the Company in terms of Section 164(2) of the Act,

f) With respect to the adequacy of the internal financial controls over financial reporting of the operating effectiveness of such controls, refer to our separate Report in Annexure "B" and

g) With respect to the other matters to be included in the Auditors' Report in accordance with the 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 in its financial statements.

II. The Company did not have any long-term 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.

IV. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December, 30, 2016. Based on our audit procedures and Relying on the management representation regarding the holding and nature of cash transactions in Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management – Refer Note No. 28.7 to the financial statements.

Place : 12-A, G.G.S. Nagar,
Jalandhar City – 144003.

Dated : 28.6.2017

For **M.S SOAND & CO.,**
CHARTERED ACCOUNTANTS
(Registration No. 005666N)
CHARTERED ACCOUNTANTS
FRN 005666N
(MANJIT SINGH SOAND)
PARTNER.
(Membership No. 084679)



AMRIT HIRE PURCHASE LIMITED, JALANDHAR
ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of the fixed assets.
- b) As explained to us, all the fixed assets have been physically verified by the Management during the year (once at close only), which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies have been noticed on such verification.
- 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 the immovable property is held in the name of the Company.
- (ii) a) The Company is a Service Company. Accordingly, it does not hold any physical inventories except the inventory of office items like Stationery, Gift Items, Stamps & Agreements, Postage Stamps and Ply Board (used for office renovations) and Assets under Constructions etc. was prepared at the year end and was verified by the management. In our opinion, the frequency of such verification is reasonable.
- b) The procedures of physical verification of said items followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The Company is maintaining proper records of above inventories and no material discrepancies were noticed on verification.
- (iii) The Company has not granted any 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.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under the provisions of section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has complied with the provisions of sections 73 to sections 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified, with regard to the deposits accepted from public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities conducted/services rendered by the Company. Accordingly para 3(vi) of the Order is not applicable.



- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax and other material statutory dues, as applicable have generally been deposited regularly during the year by the Company to the appropriate authorities except Labour Welfare Fund payable amounting to Rs. 45,401/- which has not been deposited since long. As explained to us the Company did not have any dues on account of Custom Duty and Excise Duty.
- (b) According to the information and explanations given to us and records of the Company examined by us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, income tax, service tax and any other material statutory dues were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable except the Labour Welfare Fund amounting to Rs. 45,401/- as mentioned above..
- (viii) Based on our audit procedures, in our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to the financial institutions, banks and dues to the debentures holders as at the Balance Sheet date. Based on the information and explanations given to us, the Company does not have any dues to the Government.
- (ix) In our opinion, and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were raised. The Company has not raised any money by way of initial public offer or further public offer during the year.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management, although there have been few instances of loans becoming doubtful or recovery consequent upon fraudulent misrepresentation by borrowers, the amounts whereof are not material in the context of the size of the Company and the nature of its business and which have been provided for.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable



and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us by the management, the Company has complied with the provisions of section 42 of the Companies Act, 2013 in respect of the private placement of equity shares during the year. According to the information and explanations given by the management, we report that the amounts raised have been used for the purpose for which the funds were raised. As explained, the company has not made any preferential allotment of shares or made any private placement of fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any no-cash transactions with directors or persons connected with them. Accordingly, the paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration dated 14th December, 1998.

Place : 12-A, G.G.S. Nagar,
Jalandhar City – 144003.

Dated : 28-6-2017

For **M.S SOAND & CO.,**
CHARTERED ACCOUNTANTS
(Registration No. 005666N)
FRN 005666N
MANJIT SINGH SOAND
PARTNER.
(Membership No. 084679)



AMRIT HIRE PURCHASE LIMITED, JALANDHAR
ANNEXURE “B” TO INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2(f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date)

Report on the Internal Financial Controls over Financial reporting 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 **AMRIT HIRE PURCHASE LIMITED, JALANDHAR** (“The Company”) as of March 31, 2017 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 controls based on the internal financial 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 Companies’ policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

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



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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles; and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

Place : 12-A, G.G.S. Nagar,
Jalandhar City – 144003.

Dated : 28-6-2017

For **M.S SOAND & CO.,**
CHARTERED ACCOUNTANTS
(Registration No. 005666N)

(MANJIT SINGH SOAND)
PARTNER.
(Membership No. 084679)

AMRIT HIRE PURCHASE LIMITED, JALANDHAR.

BALANCE SHEET AS AT 31st MARCH, 2017.

PARTICULARS	Note No.		As at 31st March, 2017		As at 31st March, 2016
<u>EQUITY AND LIABILITIES</u>					
I Shareholders' Funds					
a) Share Capital	3	91,493,700.00		90,145,700.00	
b) Reserves & Surplus	4	19,396,408.89	110,890,108.89	10,907,904.05	101,053,604.05
II Non-current liabilities					
a) Long Term Borrowings	5	194,069,941.00		101,420,961.55	
b) Other Non Current Liabilities	6	28,856,871.00	222,926,812.00	20,673,999.00	122,094,960.55
III Current Liabilities					
a) Short Term Borrowing	7	136,309,346.01		103,103,369.50	
b) Trade Payables	8	19,975,969.00		3,020,381.00	
c) Other Current Liabilities	9	62,749,982.64		49,216,084.38	
d) Short Term Provisions	10	8,796,480.00	227,831,777.65	12,963,645.00	168,303,479.88
Totals Rs.			561,648,698.54		391,452,044.48
<u>ASSETS</u>					
I Non Current Assets					
a) <u>Fixed Assets</u>					
i) Tangible Assets	11	5,033,042.00		4,805,706.00	
ii) Intangible Assets		0.00		0.00	
b) Non Current Investments	12	10,381,617.00		6,904,318.00	
c) Deferred Tax Assets	13	905,459.00		844,248.00	
d) Long Term Loans and Advances	14	112,486,168.00		83,454,061.00	
e) Other Non Current Assets	15	2,194,722.00	131,001,008.00	72,500.00	96,080,833.00
II Current Assets					
a) Current Investments	16	143,025.00		153,975.00	
b) Trade Receivables	17	52,457,464.50		47,226,469.36	
c) Cash and Cash Equivalents	18	47,969,920.80		7,152,313.19	
d) Short Term Loans and Advances	19	322,783,142.00		238,141,629.62	
e) Other Current Assets	20	7,294,138.24	430,647,690.54	2,696,824.31	295,371,211.48
Totals Rs.			561,648,698.54		391,452,044.48
Significant Accounting policies	2				
The accompanying Notes are an integral part of Financial Statements	28				
Schedules as per RBI requirements	29				

AUDITORS' REPORT

Subject to our separate report of even date enclosed.

For M.S. SOAND & CO.
CHARTERED ACCOUNTANTS
(Registration No. 005666N)



(MANJIT SINGH SOAND)
PARTNER
(Membership No. 084679)

PLACE; 12-A, G.G.S. Nagar,
Jalandhar City - 144 003

DATED; 28-6-2017

MANAGING DIRECTOR

DIRECTORS
TTCG

(Handwritten signatures of directors)

AMRIT HIRE PURCHASE LIMITED, JALANDHAR.

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2017

PARTICULARS	Note No.	Current Year ended 31st March, 2017	Previous Year ended 31st March, 2016
I. <u>Income</u>			
Revenue from Operations	21	95,136,797.80	77,705,075.01
Other Incomes	22	508,464.56	35,772.78
Totals Rs.		95,645,262.36	77,740,847.79
II. <u>Expenditure</u>			
Employee Benefit Expenses	23	23,888,347.00	22,364,813.40
Finance Cost	24	35,727,892.60	22,375,146.92
Administration and other Office Expenses	25	14,991,897.92	15,825,559.64
Provisions and Write off	26	6,903,349.00	4,733,987.00
Depreciation and Amortisation Expenses	11	1,440,451.00	1,834,814.00
Totals Rs.		82,951,937.52	67,134,320.96
Profit Before Tax		12,693,324.84	10,606,526.83
Less: Provisions for Current Taxation		4,603,031.00	3,868,489.00
		8,090,293.84	6,738,037.83
Add: Deferred Tax Assets		61,211.00	200,051.00
Profit for the year Rs.		8,151,504.84	6,938,088.83
III. <u>Earnings per Equity Share of face value of Rs 100/- each</u>			
Basic and Diluted (in Rs.)	27	8.909	7.697
Significant Accounting policies	2		
The accompanying Notes are an integral part of Financial Statements	28		
Schedules as per RBI requirements	29		

AUDITORS' REPORT

As per our report given at the foot of
the Balance Sheet.

For **M.S. SOAND & CO.,**



(MANJIT SINGH SOAND)
PARTNER
(Membership No. 084679)

MANAGING DIRECTOR

DIRECTORS
TICG

PLACE; 12-A, G.G.S. Nagar,
Jalandhar City - 144 003

DATED; 28.6.2017

AMRIT HIRE PURCHASE LIMITED, JALANDHAR.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

PARTICULARS	Current Year ended 31st March, 2017	Previous Year ended 31st March, 2016
A. Cash Flow from Operating Activities		
Profit Before Tax	12,693,324.84	10,606,526.83
Adjustments for :		
Depreciation and amortisation expenses	1,440,451.00	1,834,814.00
Provisions/(reversal of provisions) and write offs	1,272,458.00	612,379.00
(Profit)/Loss on Sale of Fixed Assets	(15,596.00)	19,274.00
(Profit)/Loss on Sale of Securites	3,975.00	143,624.00
Operating Cash flow before Working Capital Changes	15,394,612.84	13,216,617.83
Adjustments for working capital changes :		
(Increase)/Decrease in loans/ advances	(112,460,644.38)	(97,752,978.40)
(Increase)/Decrease in trade receivables	(5,230,995.14)	(11,133,966.46)
(Increase)/Decrease in other current assets	(6,719,535.93)	(978,252.65)
Increase/(Decrease) in other liabilities and provisions	21,716,770.26	17,895,190.09
Increase/(Decrease) in trade payables	16,955,588.00	326,111.96
Cash generated from operations	(70,344,204.35)	(78,427,277.63)
Direct Taxes paid	(4,939,769.00)	(3,939,306.00)
Net Cash generated from/(used in) operating Activities (A)	(75,283,973.35)	(82,366,583.63)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,704,691.00)	(1,316,091.00)
Proceeds from Sale of Fixed Assets	52,500.00	217,200.00
Proceeds from Sale of Government Securities	150,000.00	2,019,600.00
Proceeds from Sale of Shares (Investments)	40,000.00	210,000.00
(Increase)/Decrease in other investments	(3,466,349.00)	(3,228,393.00)
Net cash generated/(used in) investing activities (B)	(4,928,540.00)	(2,097,684.00)
C. Cash flow from Financing Activities		
Increase in Equity Share Capital	1,348,000.00	6,976,000.00
Premium received on issues of Equity Shares	337,000.00	1,744,000.00
Increase(Decrease) in Debentures/Bonds/Deposits and Term Loans	125,854,955.96	72,346,163.51
Dividends Paid	(5,408,742.00)	(4,990,182.00)
Dividend Distribution Tax paid	(1,101,093.00)	(997,742.00)
Net cash generated from/(used in) financing activities (C)	121,030,120.96	75,078,239.51
Net Increase/(decrease) in Cash and Cash Equivalent (A+B+C)	40,817,607.61	(9,386,028.12)
Add: Cash and Cash Equivalent at the beginning of the year	7,152,313.19	16,538,341.31
Cash and Cash Equivalent at the end of the year	47,969,920.80	7,152,313.19

Note : Closing Cash & Cash Equivalents pertains to Cash and Bank balances including Fixed Deposits with Banks.

AUDITORS' REPORT

As per our report given at the foot of Balance Sheet.



PLACE: 12-A, G.G.S. Nagar,
Jalandhar City - 144 003

DATED: 28-6-2017

(SINGH SOAND)
PARTNER
(Membership No. 084679)

MANAGING DIRECTOR

Handwritten signatures and initials of the Managing Director and other directors. The text 'DIRECTORS' is written in blue ink. There are several signatures in blue ink, including one that appears to be 'Jyoti' and another 'H. Kaur'.

AMRIT HIRE PURCHASE LIMITED, JALANDHAR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. GENERAL INFORMATION

The Company is a registered Non-Banking Finance Company engaged in the business of providing Finance. The Company is registered with Reserve Bank of India as a Deposit taking Non-Banking Finance Company (NBFC) with effect from 14th December, 1998 with Registration No. 06.00180. The Company primarily deals in Auto loans and loans against securities.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated, and in accordance with generally accepted accounting principles in India ("Indian GAAP") and conform to the statutory requirements, circulars and guidelines issued by the Reserve Bank of India from time to time to the extent they have an impact on the financial statements and current practices prevailing in India. The Financial statements have been prepared to comply in all material respects with the Accounting Standards ("AS") notified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of its assets and liabilities.

The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India (RBI) for deposit taking Non-Banking Finance Companies.

2.2 USE OF ESTIMATES

The preparation of Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported amount of revenues and expenses for the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon managements' evaluation of the relevant facts and circumstances as of the date of financial statements. Actual future results could



differ from these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize.

2.3 OWN FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation and impairment, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Subsequent expenditure incurred on fixed assets after their purchase/completion is capitalized, only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance. Assets (Vehicles) repossessed from hirers/loanees and shown as fixed assets in the accounts are stated at Market Price as determined and confirmed by the Board of Directors. Some of the said vehicles are not yet transferred in the name of company due to certain legal problems.

2.4 DEPRECIATION

Depreciation on tangible fixed assets have been provided at Written Down Value Method as per the useful life prescribed and the rates as prescribed in Schedule II – part C of the Companies Act, 2013. Depreciation on addition to fixed assets sold during the year is being provided for, at their respective rates on a pro rata basis with reference to the month in which such asset is added or sold as the case may be. Items costing less than Rs. 5,000/- are fully depreciated in the year of purchase.

2.5 INVESTMENTS

Investments expected to mature after twelve months are taken as non-current/long term investments. Non Current Investments in Government Securities are stated at cost plus interest accrued thereon. Investments in Fixed Deposits with Banks are stated at face value plus interest accrued thereon. Provision for diminution in the value of long term Investment is made only if such a decline is other than temporary. Current investments are valued at the lower of cost and fair market value.

2.6 CURRENT ASSETS

Stocks of Stationery/Stamps/Plywood/Gift items and Assets under construction as at 31st March, 2017 is taken as per quantity and value certified by the management.

2.7 RECEIVABLES UNDER FINANCING ACTIVITY

All loan exposure to borrowers with installment structure are stated at the full agreement value after netting off unearned interest and installments appropriated up to the Balance Sheet date.

Provision for Standard Assets is made as per internal estimates, based on past experience, realization of security, and other relevant factors, on the outstanding amount of Standard Assets for all types of lending subject to the minimum



provisioning requirements specified by Reserve Bank of India. Provision for Non-Performing Assets is made as per the provisioning norms approved by the Board for each type of lending activity subject to the minimum provisioning requirements specified by Reserve Bank of India

2.8 BORROWING COSTS

All borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred. Loans origination costs like brokerage, commission, Processing charges, etc. paid at the time of acquisition of loans are divided equally in total agreed instalments of individual term loans and said cost for the period upto balance sheet date are charged to revenue and balance shown in the Balance Sheet as prepaid expenses.

2.9 REVENUE RECOGNITION

- a) Income from transactions under Hypothecation Agreements are accounted for under Capital Recovery Method based on Internal Rate of Return on an accrual basis with reference to the terms of contractual commitments and finance agreements entered into with borrowers, as the case may be, except income relating to Non Performing assets (NPA) which is recognized in accordance with guidelines issued by Reserve Bank of India in this regard. Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Income from other financing activities and investments are accounted for on accrual basis.
- b) The Company has complied with guidelines issued by the Reserve Bank of India in respect of Prudential Norms on Income Recognition, Accounting Standards, Assets Classification, Provisioning of Non Performing Assets etc.
- c) Income from Dividends Received is recognized on as and when received basis.
- d) Profit/Loss on Sale of Shares/Investments is accounted for on Sale of such shares/investments only.

2.10 EMPLOYEE BENEFIT

The employees benefits like Salaries, Short Term Compensated absence etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service. Post employment and other long term employee benefit are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered service. The expenses are recognized at the present value of the amounts payable determining using actuarial valuation techniques. The Company does not have a policy of encashment of unavailed leaves for its employees but are permitted to carry forward subject to a prescribed maximum days.

Contribution to the Regional Provident Fund Commissioner to secure retired benefits in respect of Employees' Provident Fund and Employees' Family Pension Fund, based on the statutory provisions as per the Employee Provident Fund Scheme. The Company has no liability for future Provident Fund benefits other than



its contribution and recognizes such contributions as an expense in the Statement of Profit and Loss in the period when services are rendered by the employee.

The Company provides for Gratuity to all employees. The Company makes annual contributions to fund administered by trustees and managed by insurance company for amounts notified by the said insurance company. The defined benefit plan are valued by an independent external actuary as at the Balance Sheet date using the projected unit credit method to determine the present value of defined benefit obligation and related service cost. Under this method, the determination is based on actuarial calculations, which includes assumptions about demographics, early retirement, salary increases and interest rates. Actuarial gain or loss is recognized in the statement of profit or loss.

2.11 PROVISION FOR CURRENT AND DEFERRED ASSETS

Provision for current tax is made after taking into consideration benefits admissible under the Provision of Income Tax Act, 1961. Deferred Tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future. Deferred tax assets are reviewed at each Balance Sheet date and disclosed in the Balance Sheet under the Head “Deferred Tax Assets”.

2.12 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. There are no contingent Liabilities/Contingent Assets and so contingent liabilities and contingent assets are neither recognized nor disclosed in the financial statements.

2.13 MISCELLANEOUS EXPENDITURE

Authorised Capital Expenses are being written off over a period of five years.

2.14 EARNINGS PER SHARE

Basic and diluted earnings per share are computed in accordance with AS 20- Earnings per Share issued, by the Institute of Chartered Accountants of India.



AMRIT HIRE PURCHASE LIMITED, JALANDHAR.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	As at 31st March, 2017	AS AT 31st March, 2016
NOTE No.3		
SHARE CAPITAL		
AUTHORISED		
10,00,000 Equity Shares of 100/- each	100,000,000.00	100,000,000.00
Issued, Subscribed and Paid Up		
914937 (Pv. Yr 901457) Equity Shares of Rs. 100/- each fully called and Paid Up.	91,493,700.00	90,145,700.00
Totals Rs.	91,493,700.00	90,145,700.00

3.1 The detail of Shareholders holding more than 5% shares

Name of the Shareholder	As At 31st March, 2017		As at 31st March, 2016	
	No. of shares	% held	No. of shares	% held
Mr. Ajit Pal Singh	92920	10.15	100920	11.20
Lt.Col. J.S.Gill(Retd.)	67606	7.39	67606	7.50

3.2 The reconciliation of the Number of Shares Outstanding is set out below

Particulars	AS AT 31st March, 2017		AS AT 31st March, 2016	
Shares at the beginning of the year	901,457		831,697	
Add: Shares issued and allotted	13,480		69,760	
Less: Shares bought back during the year	0		0	
Shares at the end of the year	<u>914,937</u>		<u>901,457</u>	

3.3 The Company has only one class of Equity Shares having a par value of Rs. 100/- per Share. All Equity Shares rank parri passu in respect of dividends, Vote and other rights. The holders of Equity Shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General meeting.

3.4 For details of shares reserved for issue on conversion of Fully Convertible Debentures refer Note 5.10 and 5.11

NOTE No. 4

RESERVES AND SURPLUS

	As at 31st March, 2017		As at 31st March, 2016	
Statutory Reserve Fund				
As per Last Balance Sheet	8,540,297.04		7,152,679.04	
Add: Trf from Profit & Loss Account	<u>1,630,301.00</u>	10,170,598.04	<u>1,387,618.00</u>	8,540,297.04
Securities Premium Account				
As per Last Balance Sheet	1,744,000.00		0.00	
Add: Additions during the year on account of issue of Shares	<u>337,000.00</u>	2,081,000.00	<u>1,744,000.00</u>	1,744,000.00
Profit and Loss Account				
As per Last Balance Sheet	623,607.01		1,582,971.18	
Add: Profit during the year	<u>8,151,504.84</u>		<u>6,938,088.83</u>	
	8,775,111.85		8,521,060.01	
Less: Appropriations				
Transferred to Statutory Reserve Fund	1,630,301.00		1,387,618.00	
Proposed Dividend on Equity Shares	0.00		5,408,742.00	
Tax on Dividends	<u>0.00</u>	7,144,810.85	<u>1,101,093.00</u>	623,607.01
Totals Rs.	<u>19,396,408.89</u>		<u>10,907,904.05</u>	



- 4.1 Statutory Reserve Fund has been created in terms of section 45 -IC of Reserve Bank of India Act, 1934.
- 4.2 As per General Circular No. 9/2002 dated 18th April, 2002 issued by the Department of Company Affairs, no Debenture Redemption Reserve is required in case of private placed debentures, so no Debenture Redemption Reserve has been provided during the year.
- 4.3 The Board of Directors have recommended dividend of Rs. 6.00 per share (6%) on each equity shares having Face Value of Rs. 100/- each. The proposed equity dividend and dividend distribution tax thereon are not accounted as liability in fiscal 2016-17 in accordance with revised AS-4 "Contingencies and events occurring after balance sheet date."
- 4.4 Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortisation and Depletion. Accordingly the unamortised carrying value is being depreciated/amortised over the revised/remaining useful lives.

NOTE NO. 5

LONG TERM BORROWINGS

	<u>As at 31st March, 2017</u>		<u>As at 31st March, 2016</u>	
<u>SECURED</u>				
Secured Non convertible redeemable Debentures	69,218,000.00		32,604,000.00	
HDFC Bank Limited, Jalandhar Car Loan Accounts	0.00		263,380.04	
Capital Small Finance Bank Ltd., Jalandhar Working Capital Term Loan Account	4,940,386.00		10,029,084.51	
Term Loan from M/S AU Small Finance Bank Ltd., Jaipur	37,359,865.00		26,271,325.00	
Term Loan from M/S Capital First Limited, Mumbai	25,000,002.00		0.00	
Term Loan from M/S Hinduja Leyland Finance Limited, Chennai	12,251,502.00		0.00	
Term Loan from M/S IMFR Capital Finance Private Ltd., Mumbai	14,289,588.00	163,059,343.00	0.00	69,167,789.55
<u>UNSECURED</u>				
Fixed Deposits	3,801,598.00		5,019,172.00	
Sub-Ordinated Bonds	3,487,000.00		3,512,000.00	
Fully Convertible Debentures	23,722,000.00	31,010,598.00	23,722,000.00	32,253,172.00
Totals Rs.		<u>194,069,941.00</u>		<u>101,420,961.55</u>

- 5.1 The Secured Non-Convertible Redeemable Debentures are secured by way of Charge having pari pasu rights as the case may be, on the Company's Immovable Assets and Loans Receivables.
- 5.2 Term Loans of Rs. 2,63,380.04 (Outstanding as on 31st March, 2017) from HDFC Bank Limited, Jalandhar is Secured by Hypothecation of Cars.
- 5.3 All the above Term Loans from various NBFCs are secured by specific charges on receivables under financing activities.
- 5.4 Term Loan from M/S AU Small Finance Bank Ltd. Jaipur is secured by way of specific charge on hypothecation of Company's present and future Loans receivables.
- 5.5 Working Capital term Loan/Cash Credit Limit from Capital Small Finance Bank Limited, Jalandhar is secured by way of specific charge on hypothecation of Company's present and future Loans receivables.
- 5.6 No Term Loans, Non Convertible Redeemable Debentures, Sub-ordinated Bonds and other borrowings is guaranteed by any director and/or others.



5.7 Maturity profile and Rate of Interest of Non Convertible Redeemable Debentures are as set out below:-

No. of Debenture	Face Value	Balance as at		Due Date of Redemption	Rate of Interest %
		31.03.2017	31.03.2016		
700	1,000.00	700,000.00	700,000.00	Jan-26	11.61%
12,242	1,000.00	12,242,000.00	-	Oct-25	11.00%
9,523	1,000.00	9,523,000.00	-	Sep-25	11.00%
70	1,000.00	70,000.00	70,000.00	Sep-25	11.61%
11,129	1,000.00	11,129,000.00	-	Jul-25	11.00%
150	1,000.00	150,000.00	150,000.00	Jul-25	11.61%
7,380	1,000.00	7,380,000.00	-	May-25	11.00%
300	1,000.00	300,000.00	300,000.00	May-25	11.61%
450	1,000.00	450,000.00	450,000.00	Mar-25	11.61%
80	1,000.00	80,000.00	80,000.00	Jul-22	11.23%
230	1,000.00	230,000.00	230,000.00	Mar-22	11.23%
300	1,000.00	300,000.00	300,000.00	Jan-22	11.23%
450	1,000.00	450,000.00	450,000.00	Nov-21	11.23%
200	1,000.00	200,000.00	200,000.00	Sep-21	11.23%
5,425	1,000.00	5,425,000.00	307,000.00	Jun-19	11.00%
2,895	1,000.00	2,895,000.00	2,086,000.00	Mar-19	11.00%
2,065	1,000.00	2,065,000.00	2,165,000.00	Jan-19	11.00%
5,235	1,000.00	5,235,000.00	4,165,000.00	Dec-18	11.00%
4,042	1,000.00	4,042,000.00	2,684,000.00	Sep-18	11.00%
2,530	1,000.00	2,530,000.00	2,530,000.00	Jul-18	11.00%
3,228	1,000.00	3,228,000.00	3,236,000.00	Jun-18	11.00%
594	1,000.00	594,000.00	594,000.00	May-18	11.00%
6,446	1,000.00	6,446,000.00	3,374,000.00	Mar-18	11.00%
300	1,000.00	300,000.00	300,000.00	Jan-18	11.00%
5,123	1,000.00	5,123,000.00	1,223,000.00	Dec-17	11.00%
6,204	1,000.00	6,204,000.00	2,098,000.00	Sep-17	11.00%
800	1,000.00	800,000.00	800,000.00	Jul-17	11.00%
8,571	1,000.00	8,571,000.00	4,112,000.00	Jun-17	11.00%
5,611	1,000.00	5,611,000.00	5,611,000.00	Mar-17	11.00%
2,935	1,000.00	2,935,000.00	2,935,000.00	Feb-17	11.00%
8,055	1,000.00	8,055,000.00	8,055,000.00	Dec-16	11.00%
7,340	1,000.00	7,340,000.00	7,340,000.00	Oct-16	11.00%
7,727	1,000.00	7,727,000.00	7,727,000.00	Sep-16	11.00%
5,435	1,000.00	5,435,000.00	5,435,000.00	Aug-16	11.00%
14,205	1,000.00	14,205,000.00	14,205,000.00	Jun-16	11.00%
2,250	1,000.00	-	2,250,000.00	Apr-16	11.00%
Total		96,662,000.00	86,162,000.00		

5.8 Maturity profile and Rate of Interest of Unsecured Fixed Deposits are as set out below:-

Particulars	Balance as at		Due Date of Redemption	Rate of Interest %
	31.03.2017	31.03.2016		
Fixed Deposits	118,620.00	118,620.00	Jul-20	11.00%
Fixed Deposits	50,000.00	50,000.00	Mar-19	10.00%
Fixed Deposits	400,000.00	400,000.00	Feb-19	10.00%
Fixed Deposits	55,184.00	55,184.00	Jan-19	11.00%
Fixed Deposits	554,000.00	554,000.00	Jan-19	10.00%
Fixed Deposits	793,794.00	793,794.00	Dec-18	10.00%
Fixed Deposits	300,000.00	300,000.00	Nov-18	10.00%
Fixed Deposits	92,000.00	92,000.00	Oct-18	10.00%
Fixed Deposits	414,000.00	409,000.00	Sep-18	10.00%
Fixed Deposits	325,000.00	325,000.00	Aug-18	10.00%
Fixed Deposits	150,000.00	250,000.00	Jul-18	10.00%
Fixed Deposits	225,000.00	259,000.00	Jun-18	10.00%
Fixed Deposits	-	39,000.00	Jun-18	11.00%
Fixed Deposits	-	14,000.00	May-18	11.00%
Fixed Deposits	268,000.00	268,000.00	May-18	10.00%
Fixed Deposits	56,000.00	56,000.00	Apr-18	11.00%
Fixed Deposits	390,820.00	418,820.00	Mar-18	10.00%



Fixed Deposits	41,000.00	41,000.00	Feb-18	10.00%
Fixed Deposits	61,544.00	61,544.00	Feb-18	11.00%
Fixed Deposits	94,000.00	94,000.00	Jan-18	10.00%
Fixed Deposits	109,540.00	109,540.00	Sep-17	11.00%
Fixed Deposits	8,000.00	8,000.00	Aug-17	10.00%
Fixed Deposits	70,000.00	70,000.00	Jun-17	10.00%
Fixed Deposits	25,000.00	25,000.00	May-17	11.00%
Fixed Deposits	32,670.00	32,670.00	May-17	10.00%
Fixed Deposits	25,000.00	25,000.00	Apr-17	11.00%
Fixed Deposits	150,000.00	150,000.00	Apr-17	10.00%
Fixed Deposits	-	108,876.00	Mar-17	10.00%
Fixed Deposits	-	607,729.00	Mar-17	11.00%
Fixed Deposits	-	240,063.00	Feb-17	10.00%
Fixed Deposits	-	864,361.00	Sep-16	10.00%
Fixed Deposits	-	887,620.00	Sep-16	11.00%
Fixed Deposits	-	452,504.00	Aug-16	10.00%
Fixed Deposits	-	400,000.00	Aug-16	11.00%
Fixed Deposits	-	235,000.00	Jul-16	10.00%
Fixed Deposits	-	564,643.00	Jul-16	11.00%
Fixed Deposits	-	326,000.00	Jun-16	10.00%
Fixed Deposits	-	36,000.00	Jun-16	11.00%
Fixed Deposits	-	610,968.00	May-16	10.00%
Fixed Deposits	-	22,000.00	May-16	11.00%
Fixed Deposits	-	1,288,850.00	Apr-16	10.00%
Fixed Deposits	-	132,608.00	Apr-16	11.00%
Total	4,809,172.00	11,796,394.00		

5.9 Maturity profile and Rate of Interest of Unsecured Sub-ordinated Bonds are as set out below:-

No. of Subordinate Bond	Face Value	Balance as at		Due Date of Redemption	Rate of Interest %
		31.03.2017	31.03.2016		
901	1,000.00	901,000.00	901,000.00	Jun-23	11.61%
205	1,000.00	205,000.00	205,000.00	Dec-22	11.61%
65	1,000.00	65,000.00	65,000.00	Sep-22	11.61%
2,316	1,000.00	2,316,000.00	2,316,000.00	Jun-22	11.61%
25	1,000.00	25,000.00	25,000.00	Mar-18	10.50%
		3,512,000.00	3,512,000.00		

5.10 Maturity profile and Rate of Interest of Fully Convertible Unsecured Debentures are as set out below:-

No. of Fully Convertible Debentures	Face Value	Balance as at		Due Date of Redemption	Rate of Interest (%)
		31.03.2017	31.03.2016		
261	1,000.00	261,000.00	261,000.00	Feb-20	11.50%
1,371	1,000.00	1,371,000.00	1,371,000.00	Jan-20	11.50%
1,752	1,000.00	1,752,000.00	1,752,000.00	Jun-19	11.50%
7,988	1,000.00	7,988,000.00	7,988,000.00	May-19	11.50%
1,543	1,000.00	1,543,000.00	1,543,000.00	Mar-19	11.50%
3,755	1,000.00	3,755,000.00	3,755,000.00	Feb-19	11.50%
4,155	1,000.00	4,155,000.00	4,155,000.00	Jan-19	11.50%
1,799	1,000.00	1,799,000.00	1,799,000.00	Dec-18	11.50%
1,048	1,000.00	1,048,000.00	1,048,000.00	Nov-18	11.50%
50	1,000.00	50,000.00	50,000.00	Oct-18	11.50%
		23,722,000.00	23,722,000.00		

5.11 23722 11.50% Unsecured Fully Convertible Debentures are convertible into 237220 Equity Shares at the price of Rs. 100/- per equity share effective from 31-10-2018 onwards (being 60 months from the date of allotment). If the conversion option is not exercised, all of these debentures will compulsorily be converted into equity shares on the expiry of 60 months from the date of allotment.



5.12 Terms of repayment of Term Loans from HDFC Bank Ltd.

Rate of Interest	Maturity	Instalments	Balance As at	
			31.03.2017	31.03.2016
11.25%	<1 year (A)	7	263,380.40	413,348.99
	1-2 years	-	-	263,380.40
14.25%	<1 year (B)	-	-	238,239.89
	1-2 years	-	-	-
14.50%	<1 year ©	-	-	127,530.14
	1-2 years	-	-	-
			263,380.40	1,042,499.42
			263,380.40	779,119.02
			-	263,380.40

Less: Current Term Loan(A+B+C)

Net Non Current Term Loan from HDFC Bank Ltd.

5.13 Terms of repayment of Working Capital Term Loans from Capital Small Finance Bank Ltd., Jalandhar

Rate of Interest	Maturity	Instalments	Balance As at	
			31.03.2017	31.03.2016
14.55%	<1 year	12	5,058,140.00	4,401,551.49
	1-2 years	10	4,940,386.00	5,086,459.78
	2-3 years	-	-	4,942,624.73
			9,998,526.00	14,430,636.00
			5,058,140.00	4,401,551.49
			4,940,386.00	10,029,084.51

Less: Current Term Loan

Net Non Current Term Loan from Capital Small Finance Bank Ltd.

5.14 Terms of repayment of Term Loans from A.U. Small Finance Bank Ltd., Jaipur

Rate of Interest	Maturity	Instalments	Balance As at	
			31.03.2017	31.03.2016
15.35%	<1 year	12	13,333,344.00	13,333,344.00
	1-2 years	8	9,136,444.00	13,333,344.00
	2-3 years	-	-	8,692,725.00
15.35%	<1 years	8	4,366,651.00	6,729,542.00
	1-2 years	-	-	4,245,256.00
15.35%	<1 years	12	16,666,668.00	-
	1-2 years	12	16,666,668.00	-
	2-3 years	8	11,556,753.00	-
			71,726,528.00	46,334,211.00
			34,366,663.00	20,062,886.00
			37,359,865.00	26,271,325.00

Less: Current Term Loan

Net Non Current Term Loan From AU Small Finance Bank Limited, Jaipur

5.15 Terms of repayment of Term Loans from Hinduja Leyland Finance Limited, Chennai

Rate of Interest	Maturity	Instalments	Balance As at	
			31.03.2017	31.03.2016
14.55%	<1 year	12	6,054,846.00	-
	1-2 years	12	6,932,906.00	-
	2-3 years	8	5,318,596.00	-
			18,306,348.00	-
			6,054,846.00	-
			12,251,502.00	-

Less: Current Term Loan

Net Non Current Term Loan from Hinduja Leyland Finance Limited

5.16 Terms of repayment of Term Loans from Capital First Limited, Mumbai

Rate of Interest	Maturity	Instalments	Balance As at	
			31.03.2017	31.03.2016
14,00%	<1 year	6	5,010,354.00	-
	1-2 years	12	9,999,996.00	-
	2-3 years	12	9,999,996.00	-
	3-4 years	6	5,000,010.00	-
			30,010,356.00	-
			5,010,354.00	-
			25,000,002.00	-

Less: Current Term Loan

Net Non Current Term Loan from Capital First Limited



5.17 Terms of repayment of Term Loans from IMFR Capital Finance Private Limited, Mumbai

Rate of Interest	Maturity	Instalments	Balance As at	
			31.03.2017	31.03.2016
15.25%	<1 year	12	24,909,370.00	-
	1-2 years	6	14,289,588.00	-
			39,198,958.00	-
			24,909,370.00	-
Less: Current Term Loan				
Net Non Current Term Loan from IMFR Capital Finance Private Limited			14,289,588.00	-

NOTE No. 6

OTHER NON CURRENT LIABILITIES

	As at 31st March, 2017	As at 31st March, 2016
Unearned Interest under Hypothecation		
Loan Accounts	13,735,903.00	9,844,893.00
Interest accrued but not due on Debentures	7,981,557.00	5,786,611.00
Interest accrued but not due on Sub-Ordinated Bonds	2,228,399.00	1,653,047.00
Interest accrued but not due on Fixed Deposits	78,110.00	204,008.00
Interest accrued but not due on Fully Convertible Debentures	4,832,902.00	3,185,440.00
Totals Rs.	28,856,871.00	20,673,999.00

NOTE NO. 7

SHORT TERM BORROWINGS

	As at 31st March, 2017	Aa at 31st March, 2016
Secured		
Secured Non-convertible Redeemable Debentures	27,444,000.00	53,558,000.00
HDFC Bank Limited, Jalandhar Car Loan Accounts	263,380.04	779,119.02
Capital Small Finance Bank Ltd., Jalandhar Cash Credit Account	32,170,018.97	17,524,590.99
Capital Small Finance Bank Limited, Jalandhar Working Capital Term Loan Account	5,058,140.00	4,401,551.49
Term Loan from M/S AU Small Finance Bank Ltd., Jaipur	34,366,663.00	20,062,886.00
Term Loan from M/S Capital First Limited, Mumbai	5,010,354.00	0.00
Term Loan from M/S Hinduja Leyland Finance Limited, Chennai	6,054,846.00	0.00
Term Loan from M/S IMFR Capital Finance Private Limited, Mumbai	24,909,370.00	0.00
	135,276,772.01	96,326,147.50
UNSECURED		
Fixed Deposits	1,007,574.00	6,777,222.00
Sub-Ordinated Bonds	25,000.00	0.00
	1,032,574.00	6,777,222.00
Totals Rs.	136,309,346.01	103,103,369.50

NOTE NO. 8

TRADE PAYABLES

	As at 31st March, 2017	Aa at 31st March, 2016
Sundry Creditors	19,975,969.00	3,020,381.00
Totals Rs.	19,975,969.00	3,020,381.00

8.1 Trade payables includes Rs. 11,400,984.00 (Previous year Rs. 1,363,214.00) payable to dealers under financing activities.



NOTE NO. 9**OTHER CURRENT LIABILITIES**

	<u>As at 31st March, 2017</u>		<u>As at 31st March, 2016</u>	
Unearned Interest under Hypothecation Loan Accounts		48,608,054.00		34,561,673.00
Interest accrued but not due on Debentures		10,589,964.00		11,339,237.00
Interest accrued but not due on Fixed Deposits		220,905.00		688,357.00
Interest accrued but not due on Subordinate Bonds		20,742.00		0.00
Debentures/Bonds Issues Exp. (Stamp Duty Payable)		0.00		23,178.00
Other Payables				
Audit Fee Payable	83,835.00		116,212.00	
TDS Payable	1,065,333.00		785,041.00	
Newspaper & Periodicals	1,030.00		1,010.00	
Telephone/ Mobile Expenses	46,950.64		41,046.38	
Salary Payable (Directors Rs.1,85,770/-- Pv. Year -Nil-)	1,089,637.00		602,666.00	
Rent Payable	52,850.00		0.00	
Electricity & Water Expenses	37,800.00		53,376.00	
Other Expenses Payables	0.00		7,800.00	
Service Tax Payable	1,465.00		1,639.00	
Bonus Payable	721,412.00		534,958.00	
Provision for contribution to Gratuity Fund	0.00		307,241.00	
Provident Fund/ESI/Labour Welfare Fund	210,005.00	3,310,317.64	152,650.00	2,603,639.38
Totals	Rs.	62,749,982.64		49,216,084.38

NOTE NO. 10**SHORT TERM PROVISIONS**

	<u>As at 31st March, 2017</u>		<u>As at 31st March, 2016</u>	
Income Tax		4,603,031.00		3,868,489.00
Proposed Equity Dividend		0.00		5,408,742.00
Income Tax on Dividends		0.00		1,101,093.00
Interest under Hypothecation Loans Unrealised(NPA Cases)		1,390,358.00		827,287.00
Provision for Non Performing Assets		1,372,887.00		819,903.00
Contingent Provisions against Standard Assets		1,430,204.00		938,131.00
Totals	Rs.	8,796,480.00		12,963,645.00



NOTE NO. 11**FIXED ASSETS**

Sr. No.	Nature of Assets	GROSS BLOCK AT COST				DEPRECIATIONS				NET BLOCK	
		As at 01.04.2016	Additions during the year	Deductions during the year	As at 31.03.2017	As at 01.04.2016	For the year 2016-2017	Deductions during the year	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
1	2	3	4	5	6	7	8	9	10	11	12
1	Land & Building	803,588.00	0.00	0.00	803,588.00	310,636.00	23,928.00	0.00	334,564.00	469,024.00	492,952.00
2	Furniture & Fixtures	1,917,179.32	101,138.00	0.00	2,018,317.32	1,468,296.32	118,203.00	0.00	1,586,499.32	431,818.00	448,883.00
3	Office Machinery & Equipments	685,188.00	152,100.00	0.00	837,288.00	465,234.00	123,276.00	0.00	588,510.00	248,778.00	219,954.00
4	Motor Cars	5,424,415.00	0.00	0.00	5,424,415.00	3,766,413.00	537,429.00	0.00	4,303,842.00	1,120,573.00	1,658,002.00
5	Scooters/ Motor cycles	729,800.00	175,000.00	48,000.00	856,800.00	344,712.00	103,739.00	11,096.00	437,355.00	419,445.00	385,088.00
6	Electric Equipments	3,424,868.20	23,800.00	0.00	3,448,668.20	2,077,183.20	354,793.00	0.00	2,431,976.20	1,016,692.00	1,347,685.00
7	Computers	1,357,464.00	216,975.00	0.00	1,574,439.00	1,104,322.00	179,083.00	0.00	1,283,405.00	291,034.00	253,142.00
8	Elevator	0.00	1,035,678.00	0.00	1,035,678.00	0.00	0.00	0.00	0.00	1,035,678.00	0.00
	Total. Rs.	14,342,502.52	1,704,691.00	48,000.00	15,999,193.52	9,536,796.52	1,440,451.00	11,096.00	10,966,151.52	5,033,042.00	4,805,706.00
	Previous Year	13,377,011.52	1,316,091.00	350,600.00	14,342,502.52	7,816,108.52	1,834,814.00	114,126.00	9,536,796.52	4,805,706.00	5,560,903.00

NOTE: The elevator is installed at new business premises (not yet occupied) at Cool Road, Jalandhar and not yet activated.



NOTE NO. 12**NON CURRENT INVESTMENTS**

	As at 31st March, 2017	As at 31st March, 2016
<u>In Equity Shares of Associate Company-</u>		
<u>Unquoted, fully paid</u>		
Nil (Pv. Year 400) Equity Shares of Rs. 100/- each of M/S Kay Kay Hire Purchase (P) Ltd, Jal.	0.00	40,000.00
<u>In Fixed Deposits with NBFC-Unquoted</u>		
Fixed Deposits with M/S AU Small Finance Bank Ltd., Jaipur (includes interest receivable)	4,500,000.00	4,728,393.00
Fixed Deposits with M/S IFMR Finance Private Limited (includes interest receivable)	3,888,717.00	8,388,717.00
		0.00
		4,728,393.00
<u>In Government Securities- Unquoted</u>		
5.69% Government of India 2018 Bonds (Face value of Rs. 2,62,000/-)	239,180.00	239,180.00
6.13% Government of India 2028 Bonds (Face value of Rs. 1,00,000/-)	94,000.00	94,000.00
7.49% Government of India 2017 Bonds (Face value of Rs. 1,50,000/-)	0.00	143,025.00
6.17% Government of India 2023 Bonds (Face value of Rs.4,00,000/-)	332,520.00	332,520.00
9.30% Government of India WBFC Bonds (Face value of Rs. 2,00,000/-)	200,000.00	200,000.00
6.35% Government of India 2020 Bonds (Face value of Rs. 2,00,000/-)	194,000.00	194,000.00
6.13% Government of India 2028 Bonds (Face value of Rs. 2,00,000/-)	170,000.00	170,000.00
7.95% Government of India Fertilizer 2026 Bonds (Face value of Rs. 8,00,000/-)	763,200.00	1,992,900.00
	1,992,900.00	763,200.00
Totals Rs.	10,381,617.00	6,904,318.00

12.1 400 Equity Shares of Rs. 100/- each of M/S Kay Kay Hire Purchase Private Limited, Jalandhar amounting to Rs. 40,000/- has been sold during the year at Face Value.

NOTE NO. 13**DEFERRED TAX ASSET**

	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	844,248.00	644,197.00
Add: Provision for Deferred Tax Assets during the year	61,211.00	200,051.00
Totals Rs.	905,459.00	844,248.00

NOTE NO. 14**LONG TERM LOANS AND ADVANCES**

	As at 31st March, 2017	As at 31st March, 2016
Loans under Hypothecation Agreements (Secured and considered good unless otherwise stated including unaccrued Interest/Finance Charges)	112,350,668.00	83,363,561.00
Security Deposits	135,500.00	90,500.00
Totals Rs.	112,486,168.00	83,454,061.00

NOTE NO. 15**OTHER NON CURRENT ASSETS**

	As at 31st March, 2017	As at 31st March, 2016
Miscellaneous Expenditure (To the extent not written off or adjusted)	22,500.00	72,500.00
Prepaid Expenses	2,172,222.00	0.00
Totals Rs.	2,194,722.00	72,500.00



NOTE NO. 16**CURRENT INVESTMENTS**

	As at 31st March, 2017	As at 31st March, 2016
In Government Securities- Unquoted		
7.49% Government of India 2017 Bonds (Maturity Value Rs. 1,50,000/-)	143,025.00	0.00
7.59% Government of India 2016 Bonds (Maturity Value Rs. 1,50,000/-)	0.00	153,975.00
Totals Rs.	143,025.00	153,975.00

NOTE NO. 17**TRADE RECEIVABLES**

	As at 31st March, 2017	As at 31st March, 2016
Loans under Hypothecation Agreements (Secured and considered good unless otherwise stated)		
Outstanding for a period of over six months	12,257,104.50	8,738,569.36
Others	28,824,796.00	41,081,900.50
Advance to Dealers (Unsecured but considered Good)	11,375,564.00	23,301,819.00
		32,040,388.36
		15,186,081.00
Totals Rs.	52,457,464.50	47,226,469.36
17.1 Non Performing Assets under Hypothecation Loan Agreements		
Sub-Standard Assets	7,772,408.00	4,994,865.00
Doubtful Assets	3,447,001.00	1,763,034.00
Loss Assets	0.00	15,848.00
Totals Rs.	11,219,409.00	6,773,747.00

17.2 Receivables under the financing activity represent principal and accrued interest income/late payment interest due/incidental charges due at the close of the year, net of amounts written off.

NOTE NO. 18**CASH AND CASH EQUIVALENTS**

	As at 31st March, 2017	As at 31st March, 2016
Cash-In-Hand	9,558,648.71	4,163,648.17
Balance with Banks		
With Punjab National Bank, Defence Colony, Jalandhar in Current Account	31,868,749.46	1,397,703.11
With Punjab National Bank, Malerkotla in Current Account	196,623.18	20,449.61
With Punjab National Bank, Pathankot in Current Account	150,400.00	0.00
With Punjab National Bank, Defence Colony, Jalandhar in Dividend Unpaid Account	7,254.44	11,670.37
With IDBI Bank Limited, Jalandhar in Current Account	87,522.15	177,691.26
With Punjab National Bank, Jalandhar in FCD Application Money Account	4,676.39	6,126.32
With Punjab National Bank, Jalandhar in Share Application Money Account	35,274.39	35,343.32
With Punjab National Bank, Mukerian in Current Account	113,404.99	206,595.92
With Punjab National Bank, Nawanshehar in Current Account	208,915.34	47,176.77
With Punjab National Bank, Banga in Current Account	6,056.99	6,356.92
With Capital Local Area Bank Limited, Jalandhar in Premium Current Account	5,645,781.89	1,041,667.90



With Punjab National Bank, Sangrur in Current Account	5,562.00		0.00	
With State Bank of India, Jalandhar in Current Account	46,411.08		1,664.80	
With Punjab National Bank, Jalandhar in NCD Application Money Account	34,639.79	38,411,272.09	36,218.72	2,988,665.02
Totals Rs.		47,969,920.80		7,152,313.19

18.1 Cash in hand of Rs. 95,58,641.78 includes cash lying at various Collection Centres and Imprest with employees.

NOTE NO. 19

SHORT TERM LOANS & ADVANCES

	As at 31st March, 2017	As at 31st March, 2016
Loans under Hypothecation Agreements (Secured and considered good unless otherwise stated including unearned Interest/Finance Charges)	302,054,920.00	221,897,322.00
Other Sundry Loans (Secured against pledge of Fixed Deposits Receipts/ Debentures of the Company)	5,345,602.00	2,159,477.00
Miscellaneous Expenditure (To the extent not written off or adjusted)	50,000.00	65,000.00
Advance Income Tax	4,880,000.00	3,907,310.00
Tax Deduction at Source	59,769.00	31,996.00
Income Tax Refund due	351,275.00	779,541.00
Fringe Benefit Tax Refund due	57,149.00	57,149.00
Staff Advance	241,417.00	120,942.00
Sundry Advances *	9,743,010.00	9,122,892.62
Totals Rs.	322,783,142.00	238,141,629.62

* Sundry Advances of Rs. 9,743,010.00 includes :-

- Rs. 11,52,800/- (Op. balance) deposited as Embossing Fee (Stamps & Agreements) with Revenue Department Punjab Government under Protest.
- Rs. 47,10,000/- paid as advance for the renovation to land lord (director) of new office at Cool Road, Jalandhar.
- Rs. 2,85,000/- (op. balance) paid as advance for purchase of Accounting Software to M/S Jaguar Software India, Secundrabad.

NOTE NO. 20

OTHER CURRENT ASSETS

	As at 31st March, 2017	As at 31st March, 2016
Stock of Stationery/Stamps/Plywood/Gift Items etc.	884,500.00	2,637,693.75
Assets under Construction	5,019,578.75	0.00
Commission Receivables	5,256.99	12,790.16
Interest receivable on Government Securities	33,552.50	46,340.40
Prepaid Expenses	1,351,250.00	0.00
Totals Rs.	7,294,138.24	2,696,824.31

20.1 Assets under Construction represents the amount spent till Balance Sheet date in Sanitary fittings, Air Conditioners fittings and Furniture & fixtures etc. at new office premises (not yet occupied) at Cool Road, Jalandhar.

NOTE NO. 21

REVENUE FROM OPERATIONS

	Year ended 31st March, 2017	Year ended 31st March, 2016
Interest on Hypothecation Loans	84,745,595.00	68,886,683.00
Interest on Late Payment Receipts	9,246,203.50	8,137,417.82
Interest on Government Securities	164,471.30	185,993.19
Interest on Fixed Deposits with Banks	0.00	11,851.00
Interest on Sundry Loans	421,398.00	228,174.00
Gross Profit on Sale of Foreign Currency	0.00	1,186.00
Interest on Fixed Deposits with NBFC's	559,130.00	253,770.00
Totals Rs.	95,136,797.80	77,705,075.01



21.1 Gross Profit on Sale of Foreign Currency				
Sale of Foreign Currency during the year		0.00		146,775.00
<u>Foreign Currency Consumed</u>				
Opening Balance	0.00		0.00	
Add: Purchases	0.00		145,589.00	
	0.00		145,589.00	
Less: Closing Stock	0.00	0.00	0.00	145,589.00
Gross Profit		0.00		1,186.00

NOTE NO. 22

OTHER INCOMES

	<u>Year ended 31st March, 2017</u>	<u>Year ended 31st March, 2016</u>
Commission Received	19,526.56	35,664.93
Miscellaneous Receipts/Income	5,942.00	107.85
Interest on Income tax Refund received	66,730.00	0.00
Profit on Sale of Fixed Assets	15,596.00	0.00
Provision for Contribution to Gratuity Fund reversed	400,670.00	0.00
Totals Rs.	508,464.56	35,772.78

NOTE NO. 23

EMPLOYEE BENEFIT EXPENSES

	<u>Year ended 31st March, 2017</u>	<u>Year ended 31st March, 2016</u>
<u>Salaries Paid</u>		
Directors	13,180,000.00	13,180,000.00
Other Staff	8,660,411.00	6,998,164.00
Bonus to Staff	721,412.00	582,948.00
Staff Welfare Expenses	471,396.00	453,489.40
Provident Fund/ESI/Labour Welfare Fund Contribution	855,128.00	842,107.00
Contribution to Gratuity Fund*	0.00	308,105.00
Totals Rs.	23,888,347.00	22,364,813.40

* Liabilities towards Gratuity is paid to a Fund with Life Insurance Corporation of India maintained by the Company which is administered through a separate trust set up by the Company. Difference between the surplus fund balance with the trust and the accrued liability as at the end of the year as per actuarial valuation is reversed back and is duly shown under Note 22.

NOTE NO. 24

FINANCE COST

	<u>Year ended 31st March, 2017</u>	<u>Year ended 31st March, 2016</u>
<u>Interest on Fixed Deposits</u>		
Share Holders	0.00	3,590.00
Others	760,672.00	1,320,182.00
Interest on Debentures	12,363,553.00	10,143,430.00
Interest on Fully Convertible Debentures	3,033,954.00	2,869,785.00
Interest on Debentures Application Money	229,533.00	139,214.00
Interest on Sub-ordinated Bonds	597,363.00	556,141.00
Debentures Issue expenses *	155,866.00	101,716.00
Bank Charges & Interest	4,400,296.60	2,714,884.92
Interest/other Charges paid on Secured Loans (to NBFCs)	14,186,655.00	4,526,204.00
Totals Rs.	35,727,892.60	22,375,146.92

* Debenture Issue Expenses incurred being Stamp Duty paid are expensed in the same year.



NOTE NO. 25**ADMINISTRATION & OTHER OFFICE EXPENSES**

	Year ended 31st March, 2017	Year ended 31st March, 2016
Rent and Municipal Taxes (Rs. 3,60,000/- paid to Directors- Pr. Yr Rs. 3,60,000/-)	1,252,089.00	1,065,531.00
Printing & Stationery	270,853.00	516,803.00
Postage & Courier Expenses	113,734.00	110,891.00
Electricity & Water Expenses	677,889.00	679,363.00
Telephone & Mobile Expenses	856,647.47	767,109.86
Generator Maintenance	37,281.00	25,500.00
Stamps & Agreements	160,237.00	357,660.00
Newspapers, Books & Periodicals	12,330.00	10,490.00
Entertainment Expenses	7,338.00	22,425.00
Car Petrol/ Diesel, Repair & Maintenance	1,383,043.00	1,211,105.00
Legal Expenses	90,300.00	62,960.00
Scooter Petrol, Repair & Maintenance	542,759.00	330,015.00
Repairs & Maintenance	1,694,154.00	2,617,674.00
Insurance Charges	107,928.00	55,533.00
Commission/ Brokerage Expenses	1,074,449.00	1,057,173.00
Travelling & Conveyance Expenses	473,882.00	358,561.00
Meeting & Conference Expenses	878,052.00	844,150.00
Charity & Donations	30,380.00	43,250.00
<u>Auditor's Remuneration(including service tax)</u>		
Audit Fee	60,950.00	71,402.00
In Other Capacity(Tax matters & certification work etc)	33,010.00	48,109.00
Vehicle Recovery and Repossession Expenses	1,666,982.86	1,553,813.26
Interest on Car Loans	72,940.98	195,962.52
Fee & Subscriptions	139,579.00	220,156.00
Interest and Penalties	99.00	4,277.00
Rebate and Discounts	948.61	0.00
Professional Charges	635,417.00	431,995.00
Business Promotion Expenses	2,226,886.00	2,879,447.00
Miscellaneous Expenses	135,855.00	139,454.00
Advertisement and Publicity Expenses	279,744.00	65,879.00
Park Maintenance Expenses	76,140.00	78,871.00
Totals Rs.	14,991,897.92	15,825,559.64

25.1 Certain heads of expenses forming part of Administration & other office expenses in the Profit and Loss Statement have been regrouped during the current year in line with their functional classification and shown under Administration and other Office Expenses.

25.2 Commission and Brokerage Expenses incurred on Hypothecation/Loan cases are expensed in the same year.

25.3 Salary paid to Directors includes incentives amounting to Rs. 40,00,000/- paid to Mr. Ajit Pal Singh the Managing Director of the Company besides Monthly salary of Rs. 3,50,000/-in accordance with requisit approvals mandated by the provisions of section 197 read with Schedule V to the Act.

25.4 During the year monthly recoveries were made from Loanees and same were credited to various expenditure heads like Rebate and Remission Account, Vehicle Recovery and Repossession Expenses, Postage & Courier Expenses and Travelling & Conveyance Expenses etc. The basis of such division of recoveries were not shown/explained to us for our verification.

NOTE NO. 26**PROVISIONS AND WRITE OFF**

	Year ended 31st March, 2017	Year ended 31st March, 2016
Rebate & Remissions **	5,172,023.00	3,857,178.00
Authorised Capital Expenses Written Off	65,000.00	65,000.00
Service Tax Paid	3,006.00	3,452.00
Income Tax Paid	51,217.00	34,204.00
Loss on Sale of Fixed Assets (Net)	0.00	19,274.00
Loss on Sale of Government Securities (Net)	3,975.00	143,624.00



Contingent Provisions against Standard Assets	492,073.00	395,835.00
Provision for Non Performing Assets	552,984.00	43,937.00
Provision for Finance Charges/Interest unrealised	563,071.00	171,483.00
Totals Rs.	6,903,349.00	4,733,987.00

** Trade Receivables/Loan and advances which in the opinion of Management are unrecoverable, are written off and debited to Rebate and Remission Account with the approval of Board of Directors

NOTE NO. 27

EARNINGS PER SHARE

	Year ended 31st March, 2017	Year ended 31st March, 2016
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	8,151,504.84	6,938,088.83
Number of Equity Shares used as denominator for calculating EPS	914,937	901,457
Basic Earnings per shares	8.909	7.697
Diluted Earnings per shares***	8.909	7.697

*** Since Convertible Debentures are anti dilutive, they have been ignored in the computation of Diluted Earning per Share.

NOTE NO. 28

GENERAL

28.1 The presentation of the Balance Sheet, Profit and Loss Statement, the Cash Flow Statement and Notes to the Accounts is in terms of the Schedule III to the Companies Act, 2013. The assets and liabilities have been classified as current and non-current based on a twelve month operating cycle. Previous year figures have been regrouped/reclassified wherever necessary to confirm to the current years' presentations.

28.2 Balances outstanding in transactions under Hypothecation Loan Agreements and Sundry Loans are subject to confirmation. Also Trade Payables and Trade Receivables are subject to confirmation.

28.3 Late Payment Interest under Hypothecation Loan Agreements are accrued on the basis of certainty of collection. Rebates and Remissions allowed on certain Hypothecation Loans Accounts and Business Promotion Expenses are as approved by the Board of Directors.

28.4 In the opinion of the Directors, Current Assets, Loans and Advances have value equal to amount shown in the Balance Sheet, if realised in the ordinary course of business.

28.5 Disclosures pursuant to Accounting Standard 15 (Revised) - Employee benefits

A. Defined contribution plan

The contribution made to various statutory funds is recognised as expenses and included in Note 23 "Employee benefits expense" under "Provident Fund/ESI/Labour Welfare Fund Contributions" in Statement of Profit and Loss". The details is as follows :

(Figures in Rupees)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Provident Fund	589,775	608,623
Employee State Insurance Corporation (ESIC)	250,093	219,604
Labour Welfare Fund	15,260	13,880

B. Defined benefit plan (gratuity)

The Company contributes to the group gratuity fund based on the actuarial valuation determined as at the year end through the Life Insurance Corporation of India (LIC of India). LIC of India has certified the Fair Value of the Plan Assets, the details of which were not made available to us for our verification and reporting.

28.6 In our Opinion and according to information and explanation given to us,

- a) the Company has an adequate Internal Audit System commensurate with its size and nature of business
- b) the Company complies with the various provisions of Anti Money Laundering Act
- c) the Company is maintaining the prescribed accounts and registers required under various provisions of Acts.

28.7 Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016

(Figures in Rupees)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08-11-2016	11,395,000	1,079,470	12,474,470
Add: Permitted receipts	0	0	0
Less: Permitted payments	0	77,347	77,347
Less: Amounts deposited in banks	11,395,000	1,002,123	12,397,123
Closing cash in hand as on 30-12-2016	0	0	0



The abovementioned information relates to cash in hand held on November 8, 2016 including both Specified Bank Notes and other denomination notes only and their further disposals.

28.8 i) Segment Reporting :- AS 17

The Company is primarily engaged in the business of financing. All the activities of the company revolve around the main business. Further, the Company does not have any separate geographic segments other than India. As such there are no separate reportable segments as per AS-17 "Segment Reporting".

ii) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

There are no Micro and Small Scale Business Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

28.9 Related Party Disclosures

A) Associates Concerns

1. Malwa (Ldh.) Motor Finance Ltd., Jalandhar
2. Kay Kay Hire Purchase Pvt. Ltd., Jalandhar

There are no related party transactions during the year ending 31st March, 2017

B) Key Management Personnel

1. Lt. Col. J.S. Gill (Retd.) (Managing Director)
2. Mr. Ajit Pal Singh (Managing Director)
3. Mr. Jasvir Singh (Whole Time Director)

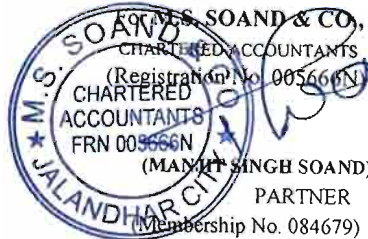
Transactions during the year with Key Management Personnel:

1. Salary paid to Lt. Col J.S. Gill (Retd.) - Managing Director : Rs. 42,00,000/-
2. Salary paid to Mr. Ajit Pal Singh- Managing Director : Rs. 82,00,000/-
3. Rent paid to Mr. Ajit Pal Singh - Managing Director : Rs. 3,60,000/-
4. Salary paid to Mr. Jasvir Singh -Whole time Director : Rs. 7,80,000/-

28.10 Disclosures pursuant to Reserve Bank of India Notification DNBR(PD)CC.No. 043/03.10.119/2015-16 dated July 01, 2015, Notification RBI/2014-15/299 DNBR (PD) CC. No. 002/03.10.001/2014-15 dated November 10, 2014 and Notification DNBR (PD) CC. No. 0029/03.10.001/2014-15 dated April 10, 2015 and Disclosures of Frauds vide Notification No. DNBS. (PD) CC. No. 256/03.10.042/2011.12 dated March 02, 2012 are enclosed vide Note No. 29. The figures given in the said enclosures are in lakhs.

AUDITORS' REPORT

As per our report given at the foot of the Balance Sheet.



PLACE; 12-A, G.G.S. Nagar,
Jalandhar City - 144 003

DATED; 28.6.2017

MANAGING DIRECTOR

[Signature]
DIRECTORS
7/6/6

[Signature]
M. Kaur

[Signature]
Ranjit Singh

[Signature]
Manoj Singh
[Signature]
Jasvir Singh
[Signature]
Johal Singh

6 Borrower group-wise classification of assets financed as in (3) and (4) above:			
Category	Amount net of provisions as at 31st March, 2017		
	Secured	Unsecured	Totals
1. Related Parties			
(a) Subsidiaries	0.00	0.00	0.00
(b) Companies in the same group	0.00	0.00	0.00
(c) Other related parties	0.00	0.00	0.00
2. Other than related parties	4,608.33	0.00	4,608.33
Totals	4,608.33	0.00	4,608.33
Category	Amount net of provisions as at 31st March, 2016		
	Secured	Unsecured	Totals
1. Related Parties			
(a) Subsidiaries	0.00	0.00	0.00
(b) Companies in the same group	0.00	0.00	0.00
(c) Other related parties	0.00	0.00	0.00
2. Other than related parties	3,394.44	0.16	3,394.60
Totals	3,394.44	0.16	3,394.60
7 Investor group-wise classification of all investments(current and long term) in shares and securities (both quoted and unquoted) :			
Category		Market Value/ Break-up or fair value of NAV	Book Value (Net of provisions)
As at 31st March, 2017			
1. Related Parties			
(a) Subsidiaries		0.00	0.00
(b) Companies in the same group		0.00	0.00
(c) Other related parties		0.00	0.00
2. Other than related parties		105.58	105.58
Totals		105.58	105.58
As at 31st March, 2016			
1. Related Parties			
(a) Subsidiaries		0.00	0.00
(b) Companies in the same group		0.40	0.40
(c) Other related parties		0.00	0.00
2. Other than related parties		70.64	70.64
Totals		71.04	71.04
8 Other Information			
		Amount Outstanding as at	
		31st March, 2017	31st March, 2016
(i) Gross Non-Performing Assets			
(a) Related Parties		0.00	0.00
(b) Other than related Parties		112.19	67.74
(ii) Net Non-Performing Assets			
(a) Related Parties		0.00	0.00
(b) Other than related parties		84.56	51.27
(iii) Assets acquired in satisfaction of Debt		46.57	24.80

29.2 Disclosure Pursuant to Reserve Bank of India Notification RBI/2014-15/299 DNBR (PD) CC. No. 002/03.10.001/2014-15 dated November 10, 2014 and Notification DNBR (PD) CC. No. 0029/03.10.001/2014-15 dated April 10, 2015

i) Capital Adequacy Ratio

Particulars	(Amount in Lakhs)	
	As at 31-03-2017	As at 31-03-2016
Tier I capital	1,099.12	1,000.73
Tier II Capital	0.25	0.08
Total Capital	1,099.37	1,000.81
Total Risk Weighted Assets	4,376.61	3,303.57
Capital Ratios		
Tier I Capital as a percentage of Total Risk Weighted Assets(%)	25.11	30.29
Tier II Capital as a percentage of Total Risk Weighted Assets(%)	0.01	0.01
Total (%)	25.12	30.30
Amount of Subordinated Debt raised as Tier-II capital	0.00	0.00
Amount raised by issue of Perpetual Debt instruments	0.00	0.00



ii) Investments

(Amount in Lakhs)

Particulars		As at 31-03-2017	As at 31-03-2016
1)	Value of Investments		
(i)	Gross Value of Investments		
a)	In India	105.58	68.30
b)	Outside India	0.00	0.00
(ii)	Provision for Depreciation		
a)	In India	0.00	0.00
b)	Outside India	0.00	0.00
(iii)	Net Value of Investments		
a)	In India	105.58	68.30
b)	Outside India	0.00	0.00
2)	Movement of provisions held towards depreciation on investments		
(i)	Opening Balance	0.00	0.00
(ii)	Add: Provisions made during the year	0.00	0.00
(iii)	Less: Write-off/ Write-back of excess provisions during the year	0.00	0.00
(iv)	Closing Balance	0.00	0.00

iii) Derivatives

The company has not entered into derivatives of any form during the year.

iv) Securitisation

Particulars		As at 31-03-2017	As at 31-03-2016
I)	Disclose on securitisation		
1	No. of Special Purpose Vehicle (SPV) sponsored by the NBFC for securitisation transactions		
2	Total Amount of securitised assets as per books of SPVs sponsored		
3	Total amount of exposures retained by the NBFC to comply with Minimum Retention Ratio (MRR) as on the date of balance Sheet		
a)	Off balance Sheet exposures		
•	First Loss		
•	Others		
b)	On-Balance Sheet Exposures		
•	First Loss		
•	Others		
4	Amount of Exposures to Securitisation transactions other than MRR		
a)	Off balance Sheet exposures		
i)	Exposure to own Securitisations		
•	First Loss		
•	Others		
ii)	Exposure to third party Securitisations		
•	First Loss		
•	Others		
b)	On-Balance Sheet Exposures		
i)	Exposure to own Securitisations		
•	First Loss		
•	Others		
ii)	Exposure to third party Securitisations		
•	First Loss		
•	Others		
II)	Details of Financial Assets sold to Securitisation/ reconstruction Company for the Asset reconstruction		
(i)	No. of Accounts		
(ii)	Aggregate Value (net of Provisions) of accounts sold to SC/RC		
(iii)	Aggregate Consideration		
(iv)	Additional consideration realised in respect of accounts transferred in earlier years		
(v)	Aggregate gain/loss over net book value		



b) Indirect Exposure Fund based and Non-fund based exposures on National Housing Bank(NHB) and Housing Finance Companies(HFCs)	NIL
Total Exposure	

II. Exposure to Capital Market (Amount in Lakhs)

Particulars	As at 31-03-2017	As at 31-03-2016
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;		
(ii) advances against shares/bonds/debentures or other securities or on clean basis to individuals for investments in shares(including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;		
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security		
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bands or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances;		
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;		
(vi) loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or other securities or on clean basis for the meeting promotor's contribution to the equity of new companies in anticipation of raising resources;		
(vii) bridge loans to companies against expected equity flows/issues;		
(viii) all exposures to Venture Capital Funds (both registered and unregistered)		
Total Exposure to Capital Market		

vii) Other Regulatory Registrations

S.No.	Regulator	Registration No.
1	Ministry of Company Affairs	U65921PB1987PLC007523
2	Reserve Bank of India	06.00180 dated 14-12-1998

viii) Penalties levied by RBI and other Regulators-

No penalties have been imposed by RBI and other regulators during the F.Y. 2016-17 and F.Y. 2015-16

ix) Ratings assigned by Credit Rating Agencies-

Not got rated from any Credit Rating Agencies

x) Provisions and Contingencies

Break-up of Provisions and contingencies shown under the head Expenditure in Profit and Loss A/c	(Amount in Lakhs)	
	As at 31-03-2017	As at 31-03-2016
Provisions for depreciation on investment	0.00	0.00
Provision towards NPA	11.16	2.15
Provisions made towards Income Tax	46.03	38.68
Other Provision and Contingencies (With Details)	0.00	0.00
Provisions for Standard Assets	4.92	3.96
Total	62.11	44.79

xi) Concentration of Deposits, Advances, exposures and NPAs

I. Concentration of Deposits

Particulars	(Amount in Lakhs)	
	As at 31-03-2017	As at 31-03-2016
Total deposits of twenty largest depositors	16.71	30.20
Percentage of deposits of twenty largest depositors to Total depositors of the NBFC	32.71%	23.80%



II Concentration of Advances (Amount in Lakhs)

Particulars	As at 31-03-2017	As at 31-03-2016
Total Advances of twenty largest borrowers	42.89	19.91
Percentage of Advances of twenty largest borrowers to Total Advances of the NBFC	0.91%	0.61%

III Concentration of Exposures

Particulars	As at 31-03-2017	As at 31-03-2016
Total Exposure of twenty largest borrowers/customers	NA	
Percentage of Exposure of twenty largest borrowers/Customers to Total Exposures of the NBFC on borrowers/customers		

IV Concentration of NPA

(Amount in Lakhs)

Particulars	As at 31-03-2017	As at 31-03-2016
Total Exposure of top four NPA Accounts	12.47	7.93

xii) Sector-wise NPAs

S.No.	Sector	Percentage of NPA to Total Advances in that Sector as on 31-03-2017	Percentage of NPA to Total Advances in that Sector as on 31-03-2016
1	Agriculture & allied activities	0.00	0.00
2	MSME	0.00	0.00
3	Corporate borrowers	0.00	0.00
4	Services	0.00	0.00
5	Unsecured personal loans	0.00	0.00
6	Auto Loans	2.62	2.09
7	Other personal Loans	0.00	0.00

xiii) Movement of NPA

(Amount in Lakhs)

Particulars	As at 31-03-2017	As at 31-03-2016
(i) Net NPAs to Net Advances (%)	1.99%	1.59%
(ii) Movement of NPA (Gross)		
a) Opening Balance	67.74	63.21
b) Additions during the year	44.45	4.53
c) Reduction during the year	0.00	0.00
d) Closing Balance	112.19	67.74
(iii) Movement of Net NPA		
a) Opening Balance	51.27	48.89
b) Additions during the year	33.29	2.38
c) Reduction during the year	0.00	0.00
d) Closing Balance	84.56	51.27
(iv) Movement of provision for NPA (excluding provision on Standard Assets)		
a) Opening Balance	16.47	14.32
b) Provisions made during the year	11.16	2.15
c) Write-off/Write-back of excess provisions	0.00	0.00
d) Closing Balance	27.63	16.47



xiv) Customer Complaints

a)	No. of complaints pending at the beginning of the year	NIL
b)	No. of complaint received during the year	NIL
c)	No. of complaints redressed during the year	NIL
d)	No. of complaints pending at the end of the year	NIL

29.3 DISCLOSURE OF FRAUDS DURING THE YEAR ENDED MARCH 31, 2017 VIDE DNBS. PD. CC. NO. 256/ 03.10.042/2011-12 DATED MARCH 02,2012.

No frauds has been occurred during the year under audit

AUDITORS' REPORT

As per our report given at the foot of the Balance Sheet.

For M.S. SOAND & CO.,
CHARTERED ACCOUNTANTS
(Registration No. 005666N)



(MANJIT SINGH SOAND)
PARTNER.
(Membership No. 084679)

PLACE : 12-A, G.G.S. Nagar,
Jalandhar City 144003.

DATED: 28.6.2017

MANAGING DIRECTOR

DIRECTORS

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H. Kaur

Maul
Jambhri
Joshi et