



## ANNUAL REPORT FOR THE FY 2018-19

12<sup>th</sup> Annual Report 2019 - 2020

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## CORPORATE INFORMATION

Board of Directors

**Smt. R.S. Isabella** – Managing Director  
**Sri. V. Mohandoss** – Independent Director  
**Sri. V. Dasaraty** – Independent Director  
**Sri. P. Mahalingam** - Director  
**Sri. N. Balasubramanian** – Whole-time Director  
**Sri. Yashpal Gupta** - Director

Registered office

“REPCO TOWER” 33, North Usman Road,  
T. Nagar, Chennai – 600 017

Corporate Office

Second Floor, North Wing, Karumuttu Centre,  
New no.634, Anna Salai, Nandanam,  
Chennai – 600 035

Chief Financial Officer

**Sri. V. Balasubramanian**

Company Secretary

**Smt. Lakshmi Raghupathy**

Management Team

**Sri. R. Easwaran** – AGM – Inspection  
**Sri. S. Vimal** – AGM – Vigilance & Risk  
Management  
**Sri. P. K. B. Balamurugan** – AGM - Credit  
Monitoring & Management  
**Sri. G. Srinivasan** - CTO  
**Sri. G. Sridhar** - Inspection  
**Sri. P.V. Bhasker Reddy** – HR & Legal

Statutory Auditor

**P.B. Vijayaraghavan & Co.,**  
Chartered Accountants, 14, Cathedral Garden  
Road, Nungambakkam, Chennai – 600 034

Secretarial Auditor

**Sri. Amit Rati**  
Practicing Company Secretary, 61/4,  
Outer Circular Road, Kilpauk,  
Chennai – 600 010



Internal Auditor

**P. Chandrasekar LLP, Chartered Accountants,**  
No.6, Krishnaswamy Avenue, Luz,  
Mylapore, Chennai – 600 004

Registrar & Transfer Agent

**Cameo Corporate Services Limited**  
Subramanian Building, No.1, Club House Road,  
Chennai – 600 002

Bankers

Repco Bank  
Vijaya Bank  
Indian Bank  
Union Bank of India  
Syndicate Bank  
Karur Vysya Bank  
HDFC Bank  
Kotak Mahindra Bank  
State Bank of Travancore  
Dhanalakshmi Bank  
Canara Bank  
Shinhan Bank  
Federal Bank

Regulator

**Reserve Bank of India**  
Department of Non-banking Supervision  
Chennai – 600 001

Self-Regulatory Organization  
(SRO)

**Sa-Dhan**  
A1 – 248, 3rd Floor, Safdarjung Enclave,  
New Delhi – 110 029

Credit Information Companies  
(CIC)

CRIF High Mark  
Equifax  
CIBIL  
Experian

CIN: U74900TN2007PLC064126

Email: [cs@sphm.co.in](mailto:cs@sphm.co.in)

Website: <https://www.repcomicrofin.co.in/>

**VISION**

**Financial Inclusion – reaching the unbanked segment. Providing easy & hassle free means of finance to SHG's**



**Repco**  
*Micro Finance*

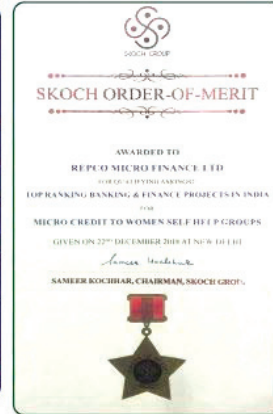
**MISSION**

**Up scaling under privileged through financial inclusion and creation of first generation entrepreneurs**

## AWARDS AND RECOGNITIONS



**Repro Micro Finance Limited has won the SKOCH Banking and Finance Gold Award 2018 and SKOCH order of merit award 2018 for Micro credit to WSHG at the 55th SKOCH SUMMIT – THE ECONOMIC MANIFESTO held on 22nd December, 2018 at the CONSTITUTION CLUB OF INDIA, NEW DELHI.**



SKOCH Award 2018 was presented by **Shri. SAMEER KOCHHAR, Chairman, SKOCH Group** and received by **Shri. N. BALASUBRAMANIAN, Director, RMFL** on **22-12-2018** at **Constitution Club of India, New Delhi**.

SKOCH group has instituted awards in various fields and awards are given every year. The 55th summit of SKOCH was organised on 22.12.2018 India, New Delhi and it was inaugurated by **Shri. Suresh Prabhu** honourable Minister for Commerce & Industry and Civil Aviation.

During the Summit Repro Micro Finance Limited, headed by **Smt. R. S. ISABELLA, M.D.**, promoted by Repro Bank (Govt. of India Enterprise), which is engaged in extending micro credit to Women Self Help Group, has been awarded the **SKOCH Banking and Finance Gold Award 2018 and SKOCH order of merit award 2018 for best performance in Micro credit to WSHG**.



RMFL has been awarded for outstanding performance in terms of SHG linkage in Tamil Nadu for 2018-19 from NABARD. Award was received by Sri. **N. Balasubramanian**, Whole-time Director from Hon'ble **Sri. D. Jayakumar**, Minister for Fisheries and Personnel & Administrative Reforms.

## CORPORATE SOCIAL RESPONSIBILITY



Gaja Relief Fund – Smt. R.S. Isabella, Managing Director handed over the cheque to Hon'ble Chief Minister **Edappadi K. Palaniswami** in the presence of Sri. **Dr. P. Senthilkumar** IAS / Chairman Repco Bank.

**Repco**  
Micro Finance



Organized Free Medical Camp at Geetham Mahal, Somasundaram Ground, T. Nagar on 19.11.2018.



## BOARD OF DIRECTORS - 2019



**Smt. R.S. Isabella**  
Managing Director



**Sri. V. Mohandoss**  
Independent Director



**Sri. V. Dasaraty**  
Independent Director



**Sri. P. Mahalingam**  
Director



**Sri. N. Balasubramanian**  
Whole-time Director



**Sri. Yashpal Gupta**  
Nominee Director

## MANAGING DIRECTOR'S MESSAGE

It is my great pleasure to present the 12th Annual report for the year ended March 31, 2019. It was an exciting journey. Despite few challenges, we have delivered a decent operational and financial performance. As we closed March 2019, RMFL has positioned itself in overall ranking to be the 19th, amongst the top 20 NBFC-MFIs in the Country.



With the help of the management team and a committed workforce, RMFL closed the financial year by crossing Rs. 900 Cr. Asset under Management. We have successfully crossed a key milestone of serving over 3.8 lakh customers through a network of 90 branches and an employee strength of over 630 as of end March 2019.

Financial inclusion has been a cherished policy objective pursued with the intent of reaching out to the masses. It is pertinent to draw reference to a profound International Labour Organization (ILO) Declaration of Philadelphia (1944) which states, "Poverty anywhere is a threat to prosperity everywhere". To tackle this poverty in all its manifestations and to ensure that economic growth reach the poor and excluded sections of the society, RMFL strives hard to achieve its mission by reaching out to as many as possible. In recognition of the same, Greater Chennai Corporation has felicitated RMFL by conferring Awards and Certificates for its outstanding performance in terms of self-help group (SHG) linkage in Tamil Nadu in 2018.

For the third year in a row, RMFL has been felicitated by NABARD for best performance in SHG linkage for 2018-19.

Our efforts have gained recognition at a national level by winning SKOCH order of merit award 2018 & SKOCH Banking & Finance Gold award 2018 for micro credit to WSHG in the 55th SKCOH summit conducted during the year.

This gives us a huge sense of responsibility in furthering financial inclusion.

Our employees are a very important contributor to our progress and the HR Structure is focussed on recruitment, induction, on the job productivity and retention. We have also developed state of the art HRMS system to effectively manage our growing work force.



In the year 2018-19, our shareholders Repco Bank and Repco Home Finance have subscribed further to the tune of Rs, 20 Crore by retaining their stake to 68% and 32% respectively and maintaining our Capital Adequacy ratio at a comfortable level for future growth.

RMFL's treasury has raised close to Rs. 257 Crore of debt this year at very fine rates of around 10%. This has helped us lower our pricing to a fine 19.90% effective July 2018, which is the least in the sector, and maintain our Capital Adequacy Ratio at a comfortable level for future growth. Two new lenders – Kotak Mahindra Bank and Canara Bank were added to our existing list of 11Banks.

I wish to thank all our customers for their business, our employees for their sheer hard work, our senior management team for the leadership they provide, RBI and Sa-dhan for being proactive and supportive, the Government for the supportive ground level eco system, our shareholders for the support and confidence, our lenders for their continued support, our vendors and business partners for their cooperation and help throughout the year. Lastly, I would like to thank our Board of Directors, for their continuous support and guidance.



**R.S. Isabella**  
Managing Director

## FINANCIAL HIGHLIGHTS



Total  
Branches  
**90**



Customer  
Strength  
**381107**



Districts  
**36**



Disbursements  
**927.06 Cr**



Gross Loan  
Portfolio  
**907.16 Cr**



Net Profit  
**45.52 Cr**



Networth  
**163.03 Cr**



Capital Adequacy  
Ratio  
**18.19 %**



Sanction  
Raised  
**927.06 Cr**



Cash & Cash  
Equivalent  
**10.70 Cr**



Average Cost  
of Borrowing  
**9.67 %**



Opex  
**28.37 Cr**

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry outlook

In the last financial year, Microfinance in India showed rapid, regionally balanced and resilient growth. Non-banking finance company – Micro Finance institutions hold the largest share of portfolio in micro credit with total loan outstanding of 68,868 crore, which is 36.8% of total micro-credit universe.

The microfinance sector registered a robust growth and has emerged unscathed even as the liquidity squeeze after September 2018 severely curtailed growth of NBFCs in India

In spite of liquidity challenges in the last financial year, the micro finance industry is on the path of recovery and is likely to see a growth of 20-22% according to a rating agency.

Micro finance institutions and Small Finance Banks would together require external capital of close to Rs.3500/- - Rs. 4,700/- crore in the next three years, given their growth targets of 25% to 30% annually. Investors continued to support the industry with equity infusion of around Rs.4350/- Crore in 2018-19 against Rs.4100/- in 2017-18.

More than 90 per cent of the capital raised in 2018-19 was by MFIs, with assets under management of more than Rs.1,000 crore, adding that this implies that larger entities have been able to attract capital while the smaller less-diversified entities continue to struggle on this front. Accordingly, smaller MFIs could look to originate more loans under the business correspondent/co-lending framework as partners to large lenders to conserve capital and alternatively there could be some further consolidation in the industry, with the smaller MFIs being acquired by larger NBFCs and banks.

The incremental funding requirement of MFIs is likely to remain a challenge, and the cost of funds to the sector will remain at elevated levels till the systemic liquidity improves.

### Opportunities and Threats

Microfinance is at a critical juncture today. It has proved its viability as a business model, as well as, its ability to reach out to a significant section of the population, which needs mainstreaming. It will continue to remain a relevant and important conduit for providing financial services to a vast segment of the population, acting in complementarity to banks. However, given the inherent vulnerability of the customer base, it is important to plan for current and future risks that can impact repayments and slow down the access to regulated credit lines for the underserved. While there may be external shocks such as natural calamities, initiatives such as loan waivers also do not bode well for credit discipline.



The key focus areas and building blocks for stable and prudent growth of this business to play its role in furthering the financial inclusion objective of the country would be:

Strengthening/ restoring the credit discipline and culture of repayment, operating cost optimisation through IT enablement, a stronger self-regulatory commitment from all players in the sector including banks and NBFCs, safeguarding of the business model from natural calamities and external activism and mainstreaming of the business within the larger financial services sector in the country.

If these factors are taken care of, it can become possible to reach the last Indian in need of financial facilities.

## SCOT OF RMFL:

### Strengths

- RMFL has derived and continues to derive operational, managerial and financial support from Repco Bank.
- Company recognizes that the employees are its assets and its strength lies on the employee's dedication and commitment towards their work. Company ensures that the employees are given a good working condition and better monetary compensation.
- In the changing landscape of MFI and pertinent challenges associated with collection of repayment from the clients at the field level, our system of Branch Based Collections helps avoid many pitfalls, characteristic of conventional MFI models.
- At RMFL all functions of the company are discharged in a professionally sound, competent and transparent manner.
- Company is spread over all the districts of Tamilnadu.

### Challenges

- Geographical concentration in Tamilnadu. RMFL is taking all steps to diversify as it helps in curbing concentration risk.
- In a manpower intensive industry with moderately high attrition rate, the challenge is to deploy trained manpower across branches, at regular intervals. Company aims to address the following:

- Quick turnover in fulfilling manpower requisition
- Control early attrition rate and bettering retention
- Increase cost effectiveness and productivity by investing in training and capacity building
- Credit risk, operational risk, geographical risk, liquidity risk and political risks are the major risks faced by the Microfinance Sector. Company is in the process of framing a detailed risk management framework to monitor and control risks.

### Opportunities

Huge unmet demand presents greater opportunities for RMFL to diversify its branch network. RMFL aims to increase its outreach to other Southern States as part of its Mission Statement and increase its connect with customers in the existing state of operation.

### Threat

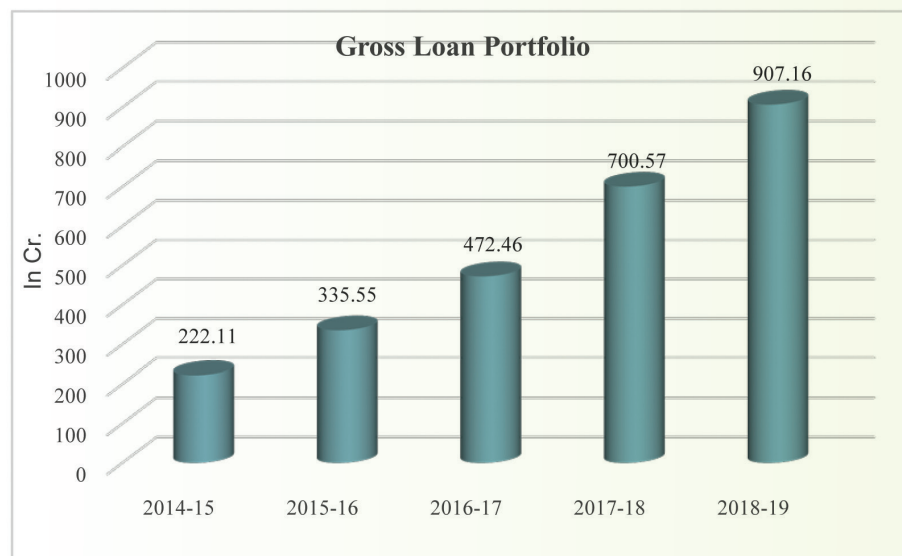
The present market condition post NBFC crisis, poses a difficult situation for the Company to raise funds at an accommodative cost. Financial Institution's skeptical approach towards NBFC results in increased cost of funding.

External shocks such as Natural Calamities and loan waivers continue to be the threat factor.

### Operational Metrics

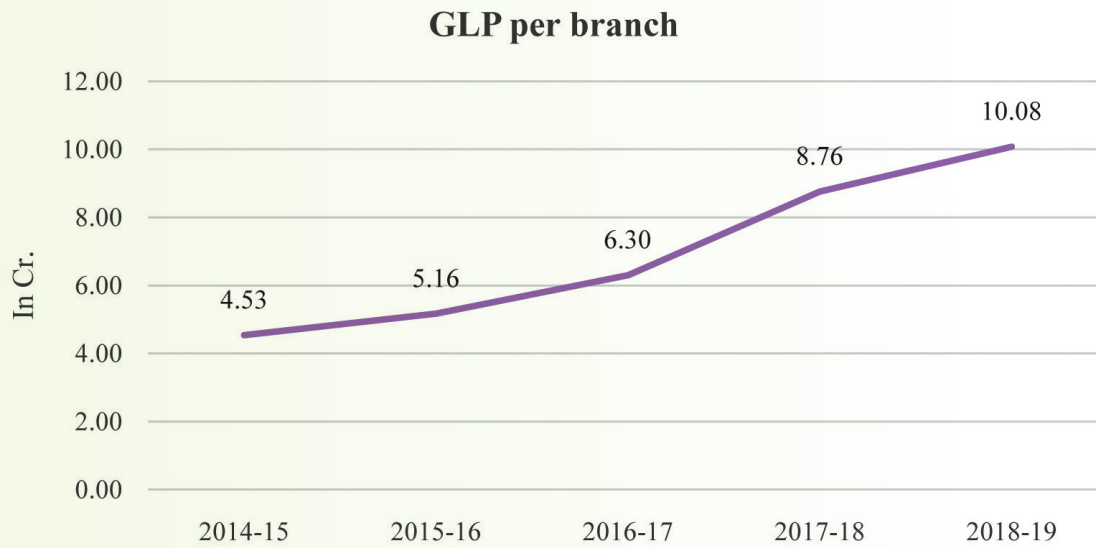
The Operational Performance of the Company during the last five years is graphically presented as below:

#### 1. Gross Loan Portfolio (GLP)

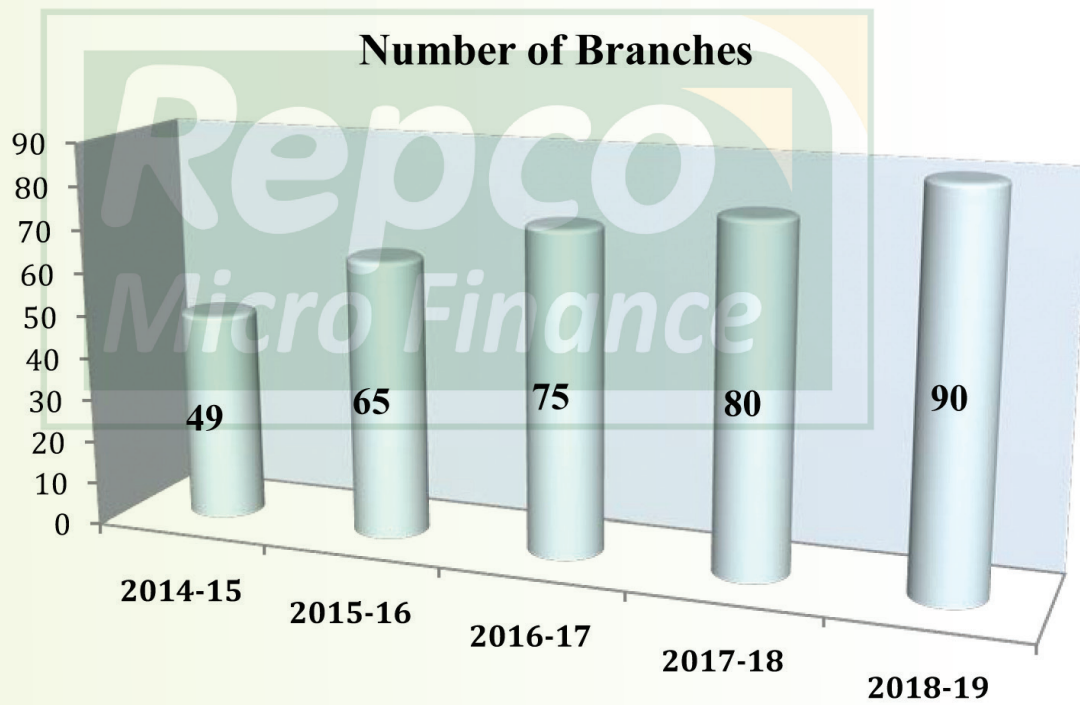




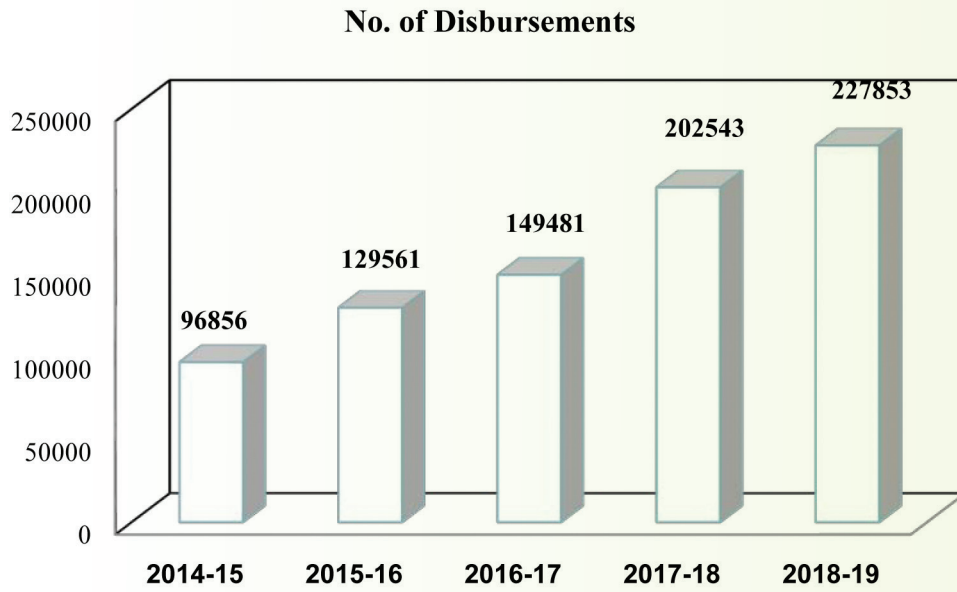
## 2. GLP per branch



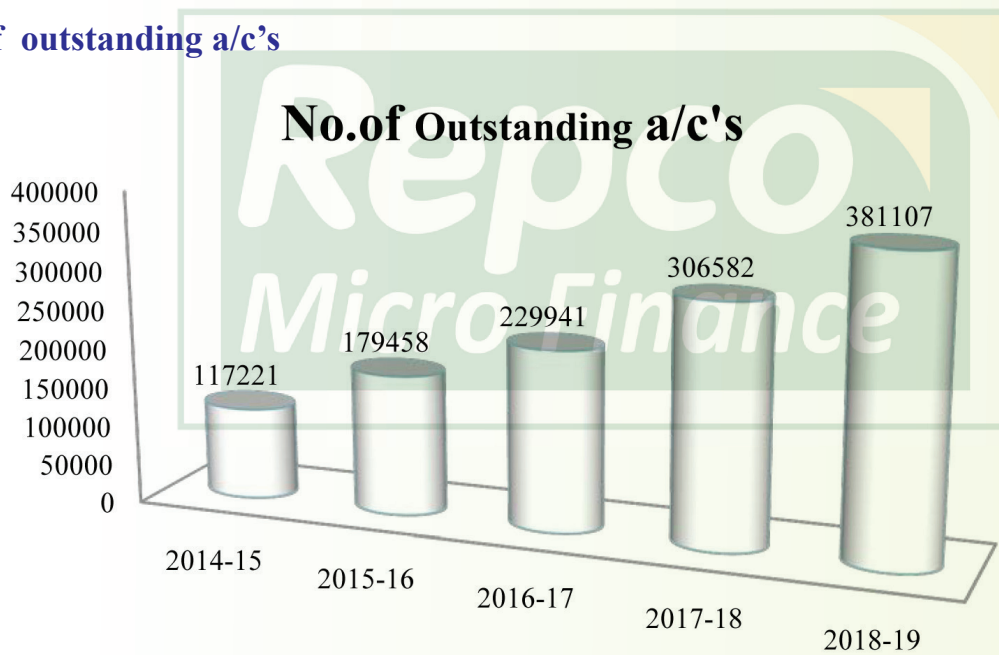
## 3. No. of Branches



#### 4. No. of disbursements



#### 5. No. of outstanding a/c's



## ANALYSIS OF FINANCIAL PERFORMANCE

### Financial results

During FY2018-19, total revenue was Rs.156.29 Cr. an increase of 36.16% over the last financial year. Gross expenses stood at Rs. 91.31 Cr. during FY 2018-19 an increase by 30.10 % over the last financial year. The profit after tax is Rs. 45.52Cr. in FY 2018-19 an increase by 56.95% over the last financial year.

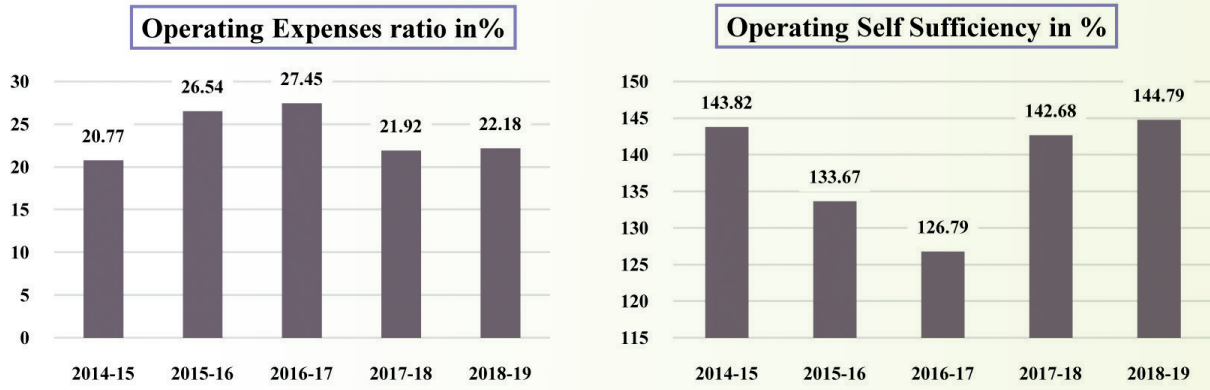
### Where we stand today

S.No.	Details	Amount in Cr.
<b>Business Operations</b>		
1.	Cumulative disbursement upto Mar 19	3647.64
2.	Disbursement in FY 18-19	927.05
3.	Gross loan portfolio as on Mar 19	907.17
4.	Revenue from operations for FY 18-19	156.29
<b>Solvency &amp; Liquidity</b>		
5.	Networth as on Mar 19	163.03
6.	Capital Adequacy Ratio as on Mar 19	18.19
7.	Cash & Cash Equivalent as on Mar 19	10.70
<b>Efficiency</b>		
8.	Effective cost of borrowing- FY 18-19	9.67%
9.	Cost to income ratio – FY 18-19	22.18%
10.	Collection efficiency - FY 18-19	92%
11.	Net Interest Margin - FY 18-19	9.39%

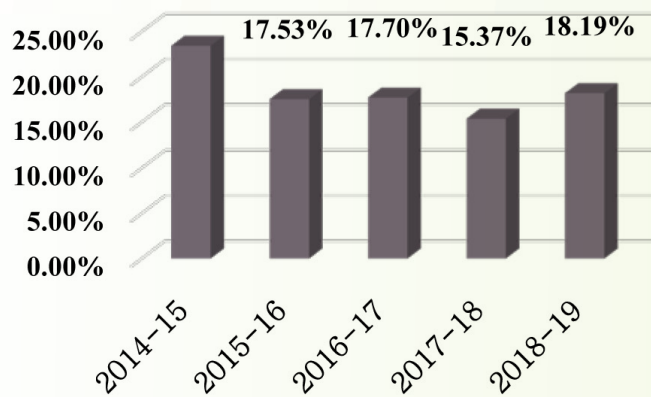
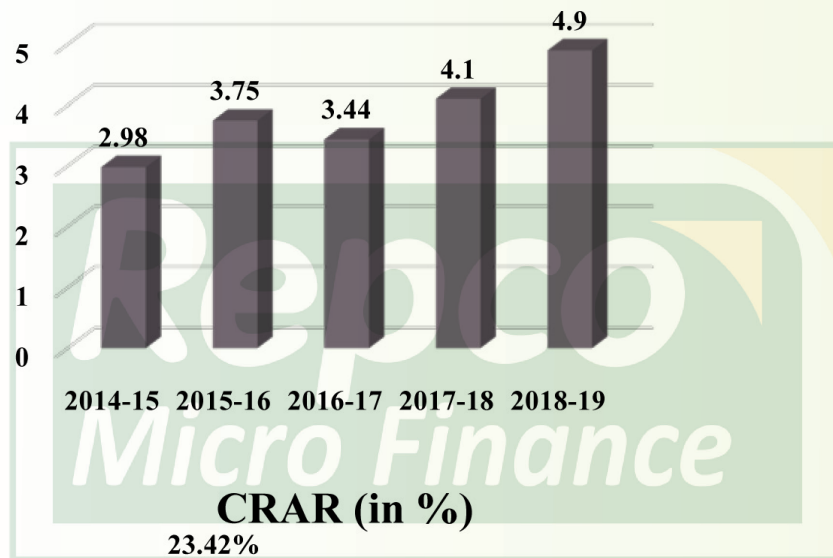
The Key Financial ratios are as below

Key Financial Ratios in%	FY 2018-19
CRAR	18.19%
ROAA	4.90%
ROAE	27.35%
Gross NPA (Rs in cr)	7.89
Net NPA	-
Debt-Equity Ratio	2.27

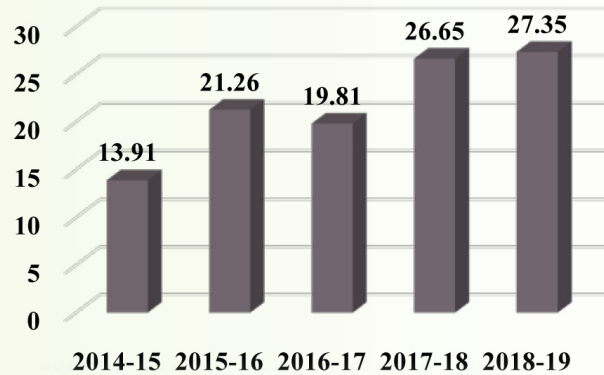
## Financial dashboard



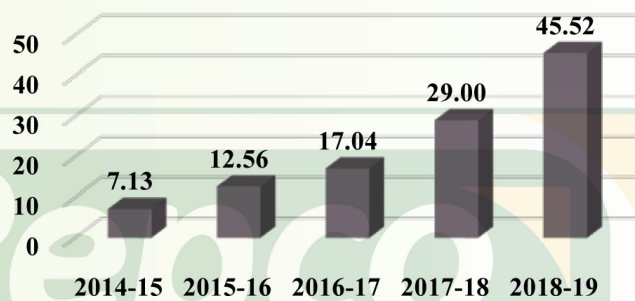
## Return on Average Assets (in %)



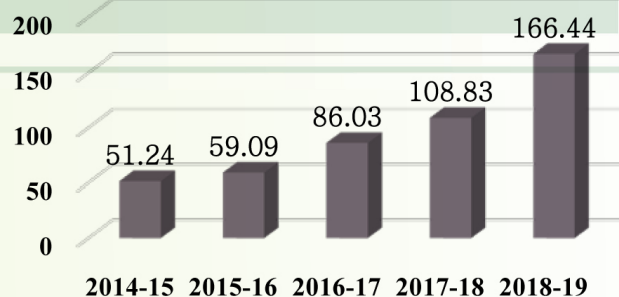
### Return on Average Equity (in %)



### PAT (Rs in cr)



### Networth (Rs in cr)



### Internal control systems and their adequacy.

As recommended by the IT Strategy Committee the Board of Directors have approved comprehensive Information Systems and technology policies during the year. The internal audit team and Inspection team share their reports to the Audit committee on quarterly basis /half-yearly basis for their review. The committee ensures that effective systems are in place to monitor controls and implement recommendations.

## Material developments in Human Resources

The Company has made a gross addition of 78 employees in the financial year and the total manpower strength stood at 630 as on 31<sup>st</sup> March, 2019. For the newly inducted staff, training programme was conducted to impart knowledge and skill. The other challenge faced by company is the high attrition rate prevalent mainly amongst the field staff due to their tendency to shift employment regularly for higher monetary benefits. Promotion process for field /clerical level officers were conducted and promotions were given during the year.

## Information Technology

The financial year 2018-19 has witnessed several new initiatives taken and implemented in technology front.

The Company has established its own independent Data Centre and Disaster Recovery by separating its facilities from Repco Bank. Data Centre has been co-located at STPI Chennai and Disaster Recovery site at STPI Bangalore. An investment of Rs. 4 Cr. approx. is made in information assets and the technology resources that is critical to the functioning of the Company. To ensure uninterrupted IT services and to build in redundancy in connectivity, secondary network connectivity was established through Broadband in addition to MPLS lines. To put in place controls and reducing risks to the information resources, various Information Security Policies and Plans have been framed. For smooth functioning, continuity and recovery of business operations, various Committees and Teams have been established as per the requirement of RBI directions.

To enhance customer satisfaction, sending alert messages on transactions in borrowers account have been introduced.

## Road Map for FY 2019-20

Company plans to venture into its neighbouring States viz Kerala, Karnataka and Orissa as part of its expansion.

RMFL aims to achieve Rs. 1,300 Crore assets under management for the FY 2019-20 and increase the branch strength to 110.

For and on behalf of the Board of Directors

**Sri. N. Balasubramanian**

Whole-time Director

DIN: 07832970

**Smt. R.S. Isabella**

Managing Director

DIN: 06871120

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have great pleasure in presenting the Twelfth Annual Report of the company with audited accounts for the year ended March 31, 2019.

### FINANCIAL RESULTS.

( Rs. In lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Operating Income	14701.44	10748.86
Other Income	928.34	730.08
Total Income	15629.79	11478.95
Finance Cost	5998.09	4534.63
Administration & Other Costs	2695.51	2064.94
Provision for Standard Assets	81.57	43.12
Provision for Non -Performing Assets	213.77	297.48
Depreciation	142.40	78.43
Profit before tax	6498.42	4460.34
Provision for tax and others	1898.65	1604.79
Deferred Tax	47.03	(45.16)
Profit after tax	4552.73	2900.72
CRAR	18.19%	15.38 %

### DIVIDEND

Your directors recommend payment of dividend @ Rs.1.20 per equity share of face value of Rs.10 each for the period ended March 31, 2019. The dividend pay-out is subject to the approval of members at the ensuing AGM.

The dividend will be paid to the members, whose names appear in the register of members as on 07th Sep, 2019.

## CHANGE IN SHARE CAPITAL.

During the year under review, the Company has allotted the following shares:

- 2,00,00,000 (Two Crore ) Equity Shares of Rs. 10 each (Rupees Ten only) for a total nominal value of Rs. 20,00,00,000/- (Rupees Twenty Crore only) on Rights issue basis, the particulars of which are detailed as under. These Equity Shares ranks pari passu in all respect with the existing Equity Shares of the Company.

S.No.	Name of the Shareholder	No. of Shares	Premium if any (in Rs.)	Allotted on
1.	The Repartriates Co-operative Finance & Development Bank Limited (REPCO Bank Limited)	1,36,00,000		26.06.2018
2.	REPCO Home Finance Limited	64,00,000		26.06.2018
	Total No. of Shares allotted	2,00,00,000		

## OPERATIONAL HIGHLIGHTS

There was no change in nature of operations of the company during the year under review.

The summary of operational highlights is as under

Particulars	As at 31.03.2019	As at 31.03.2018
Number of branches	90	80
Number of clients (in nos.)	381107	306582
Number of employees	630	562
Amount disbursed (Rs.in Cr.)	927.05	719.83
Gross loan portfolio (Rs. In Cr.)	907.17	700.84

It was yet another year where the company witnessed all-round growth, opened branches, acquired significant numbers of customers serving them through 90 branches in the State of Tamilnadu.

During the year, the Company was able to raise the necessary funding resources throughout the year to match the business and operational needs leveraging on its existing relationship with banks. Despite challenges like Gaja, which affected repayment capacity of certain





pockets of borrowers in Tamilnadu, over indebtedness among rural women and local politics, your company has achieved growth in financing volumes of 927.05 Crore which is around 28.78% over and above the volumes achieved in previous year.

### **LOAN ASSETS & DISBURSEMENT:**

As at March 31, 2019, the loan assets increased to Rs.907.17 Crore from Rs.700.84 Crore of corresponding previous year recording a growth of 29.44 percent. The total loan disbursement during the year was Rs. 927.05 Crore as against Rs.719.83 in the previous year.

### **BORROWING FROM BANKS**

RMFL has received fresh sanctions from banks amounting Rs.270.00 Crore during the period under the review and Rs. 257.00 Crore was availed during the year. The outstanding term loans and overdraft from banks, as at March 31, 2019 were Rs.378.69 Crore and 366.44 Crore respectively.

### **DEPOSIT:**

Your Company has not accepted any deposit within the meaning of Section 76 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

### **TRANSFER TO RESERVES**

As required under Section 45-IC of RBI Act, 1934, an amount equivalent to 20% of the profit after tax has been transferred to the Statutory Reserve account.

### **COMPLIANCE WITH RBI GUIDELINES / DIRECTIONS:**

Reserve Bank of India (RBI) has granted the Certificate of Registration to the Company in 2010 vide Registration no. N-07-00780 to commence the business of a Non-Banking Financial Institution without accepting public deposits. The Company was converted into an NBFC-MFI with effect from December 2013. Your Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI). Your Company has complied with and continues to comply with all the applicable regulations and directions of RBI.

### **ANNUAL RETURN**

In accordance with the Companies (Amendment) Act, 2017, read with Section 134(3) of the Companies Act, 2013, the Annual Return, under Section 92 (3) of the Companies Act, 2013, can be accessed on the website of the Company at [https://www.repcomicrofin.co.in/pdf\\_files/Annual%20Return%20Extract%20-%20MGT-9.pdf](https://www.repcomicrofin.co.in/pdf_files/Annual%20Return%20Extract%20-%20MGT-9.pdf) and the extract of the Annual Return in Form MGT-9, is provided as an Annexure-I to this report.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

All related party transactions as required under Accounting Standard AS-18 are reported in Note 20(e)- Notes to Account of the Financial Statements of the Company.

## **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has put in place an adequate internal control system to safeguard all assets and ensure operational efficiency. The Company also has an independent internal auditor to conduct ongoing internal audits, covering all aspects of operations. A team of inspection officials has been deputed to visit the branches on regular intervals to have an effective control over the working of branches. Establishment of Tele Call- Monitoring Mechanism helps the Company to contact borrowers for cross verification prior to loan disbursement. This mechanism provides more control to the company.

## **RISK MANAGEMENT:**

The Company has in place the mechanism to assess, monitor & mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

## **PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS:**

The Company has not given any loans or guarantees covered under provisions of section 186 of the Companies Act, 2013. The Company has not made any Investments.

## **PARTICULARS OF EMPLOYEES:**

The provisions of section 197(12) of companies Act, 2013 read with Rule 5(2) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the company.

## **CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:**

The Company does not have any activity relating to conservation of energy and technological absorption and does not own any manufacturing facility. Hence, the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Section 134 of the Companies Act, 2013 and the Rules framed thereunder is not applicable.



## **FOREIGN EXCHANGE EARNINGS AND OUT-GO:**

During the period under review there was no foreign exchange earnings or out flow.

## **HUMAN RESOURCES:**

At RMFL, lot of importance is placed on human capital, be it recruitment, induction, training and growth. These initiatives coupled with adequate welfare measures like health insurance cover, education aid among other things have helped us retain the resources at all levels. Most of the managers in charge of business have grown from within and infact many of them have been associated with the organization since inception. The number of employees as on 31st March 2019 was 630 and out of which women employees account for 62% and thus women empowerment is ensured at RMFL.

## **VIGIL MECHANISM / WHISTLE BLOWER**

The Company in pursuance to sub section 9 of Section 177 of the Companies Act, 2013 has framed Vigil Mechanism / Whistle Blower policy for directors and employees to report genuine concerns about unethical behaviour, actual or suspected frauds and to provide safeguard against victimization of persons who use vigil mechanism.

## **CHANGES IN DIRECTORSHIP / KEY MANAGERIAL PERSONNEL:**

Sri. G Sudhakar, Independent Director and Sri. R. Varadarajan, Director of the Company have resigned from the board w.e.f May 14, 2018 and Mar 20, 2019 respectively.

During the year under review, the board of directors, on the recommendation of the Nomination and Remuneration Committee, had appointed Sri.V. Dasaraty as Additional (Independent) Director for a period of three years in the Board Meeting held on Aug 07, 2018. The members at the 11th AGM held on Sep 25, 2018 approved his appointment.

During the year under review, the Board has appointed Sri Yashpal Gupta as Additional Director in their meeting held on Mar 20, 2019, subject to the provisions of Articles of Association of the Company.

In accordance to Articles 91 of the Articles of Associations of the Company and the provisions of the Companies Act, 2013 Sri.P. Mahalingam, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and eligible for re-appointment.

During the year under review, Sri. Anup Kumar Gupta, Company Secretary has resigned from the Company w.e.f Aug 08, 2018 and Smt. Lakshmi Raghupathy has been appointed as Company Secretary of the Company w.e.f Dec 03, 2018.

## MEETINGS OF BOARD

During the financial year 2018-19 the Board met 4 (four) times while the Audit Committee met 3 (Three) times. The Board accepted all the recommendations made by the Audit Committee during the year. The details of the constitution and meetings of the Board and the various Committees held during the year are given below:

The company has complied with the applicable Secretarial Standards, viz., SS-1 and SS-2, as issued by the Institute of Company Secretaries of India, from time to time.

Attendance of each Director at Board Meetings and at the 11th Annual General Meeting (AGM) is detailed below:

Name of Director	No. of Board Meeting held during the tenure of director	No. of Board Meeting attended	AGM attended by director
R.Varadarajan	3	3	Yes
P. Mahalingam	4	4	No
V. Mohandoss	4	4	No
R. S.Isabella	4	4	Yes
N.Balasubramanian	4	4	Yes
G.Sudhakar	-	-	NA
V. Dasaraty	2	2	No
Yashpal Gupta	1	1	NA

Presently the Board has six (6) Committees viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Information Technology Strategy Committee, Asset Liability Committee and Risk Management Committee. The Board delegates power to these Committees from time to time. These committees constituted by the Board would carry out their functions as per the specific terms of reference.

### Committees of Board:

#### Audit Committee

The powers, role and terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and Reserve Bank of India Regulations. Majority of the members of the Committee are Independent Directors.

Terms of reference of the Audit Committee include:

- i. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ii. review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. examination of the financial statement and the auditors' report thereon;
- iv. approval or any subsequent modification of transactions of the company with related parties;
- v. scrutiny of inter-corporate loans and investments;
- vi. valuation of undertakings or assets of the company, wherever it is necessary;
- vii. evaluation of internal financial controls and risk management systems;
- viii. monitoring the end use of funds raised through public offers and related matters, and
- ix. to oversee the vigil mechanism.
- x. The Audit Committee must ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the NBFCs.

The Audit Committee was re-constituted twice by the Board of Directors on 07<sup>th</sup> August, 2018 and 20<sup>th</sup> March, 2019 respectively owing to resignation of Sri G. Sudhakar and Sri. R. Varadarajan respectively. Sri. V. Dasaraty and Smt. R. S. Isabella were appointed in place of the members who have resigned.

The Audit Committee comprises of the following members as at 31st March 2019:

1. Sri. V. Mohandoss (Chairman of the Committee)
2. Sri. V. Dasaraty
3. Smt. R.S. Isabella

During the year the Audit Committee had met thrice on 22.05.2018, 03.12.2018 and 20.03.2019 respectively.

Attendance of each Director at Audit Committee Meetings:

Name of Director	No of Audit Committee Meeting held during the tenure of director	No. of Committee Meeting attended
R.Varadarajan*	3	2
V. Mohandoss	3	3
R. S.Isabella**	-	-
G.Sudhakar*	-	-
V. Dasaraty**	2	2

\*Sri G. Sudhakar and Sri. R. Varadarajan have stepped down from the board w.e.f 7<sup>th</sup> August, 2018 and 20<sup>th</sup> March, 2019 respectively.

\*\*Sri. V. Dasaraty and Smt. R. S. Isabella have been appointed in the Committee w.e.f 7<sup>th</sup> August, 2018 and 20<sup>th</sup> March, 2019 respectively

The Board of Directors have accepted all the recommendations provided by the Committee.

#### **Nomination and Remuneration Committee (NRC)**

The Nomination and Remuneration Committee of the Board of Directors was constituted as per requirement of Section 178 of the Companies Act, 2013 and Reserve Bank of India Regulations. Majority of the members are Independent Directors.

Terms of reference of the Nomination and Remuneration Committee include:

- i. identify the persons who can become directors;
- ii. to ensure 'fit and proper' status and credentials of proposed/existing directors;
- iii. formulate the criteria for determining the qualifications, positive attributes etc. and independence of a director;
- iv. Recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel, for the approval of the Board.

The NRC was re-constituted twice by the Board of Directors on 07<sup>th</sup> August, 2018 and 20<sup>th</sup> March, 2019 respectively owing to resignation of Sri G. Sudhakar and Sri. R. Varadarajan respectively. Sri. V. Dasaraty and Sri. Yashpal Gupta were appointed in place of the members who have resigned.



The NRC comprises of the following members as at 31st March 2019:

1. Sri. V. Mohandoss (Chairman of the Committee)
2. Sri. V. Dasaraty
3. Sri. Yashpal Gupta

During the year the NRC Committee had met four times on 22.05.2018, 07.08.2018, 03.12.2018 and 20.03.2019 respectively

Attendance of each Director at NRC Meetings:

Name of Director	No. of NRC Meeting held during the tenure of director	No. of Committee Meeting attended
R.Varadarajan*	4	3
V. Mohandoss	4	4
G.Sudhakar*	-	-
V. Dasaraty**	2	2
Yashpal Gupta**	-	-

\*Sri G. Sudhakar and Sri. R. Varadarajan have stepped down from the board w.e.f 7<sup>th</sup> August, 2018 and 20<sup>th</sup> March, 2019 respectively.

\*\*Sri. V. Dasaraty and Sri. Yashpal Gupta were appointed in place of the members who have resigned w.e.f 7<sup>th</sup> August, 2018 and 20<sup>th</sup> March, 2019 respectively.

The Board of Directors have accepted all the recommendations provided by the Committee.

### Corporate Social Responsibility Committee

Corporate Social Responsibility (CSR) Committee is constituted as per Section 135 of the Companies Act 2013. The CSR Committee monitors the overall CSR Activities of the Company. It provides guidance on various areas where CSR activities can be carried out.

The CSR Committee was re-constituted by the Board of Directors on 20<sup>th</sup> March, 2019 on admission of Sri. P. Mahalingam as a member.

The CSR Committee comprises of the following members as at 31st March 2019:

1. Smt. R.S. Isabella (Chairman of the Committee)
2. Sri. V. Mohandoss
3. Sri. P. Mahalingam

During the year the CSR Committee had met two times on 22.05.2018 and 20.03.2019 respectively.

Attendance of each Director at CSR Committee Meetings:

Name of Director	Eligible Meetings	No. of Committee Meeting attended
R.S. Isabella	2	2
V. Mohandoss	2	2
P. Mahalingam**	-	-
N. Balasubramanian*	2	2

\*Sri. N. Balasubramanian ceased to be a member of CSR Committee w.e.f 20.03.2019

\*\* Sri. P. Mahalingam became a member of CSR Committee w.e.f 20.03.2019

### Information Technology Strategy Committee

The Information Technology Strategy Committee was constituted on 26<sup>th</sup> March, 2018 as per Master Direction DNBS.PPD.No.04/66.15.001/2016-17 dated June 08, 2017.

Terms of reference of Information Technology Strategy Committee include:

- i. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- ii. Ascertaining that the management has implemented processes and practices which ensure that the IT delivers value to the business;
- iii. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- iv. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;



- v. Ensuring proper balance of IT investments for sustaining the company's growth and becoming aware about exposure towards IT risks and controls

The Information Technology Strategy Committee comprises of the following members as at 31st March 2019:

1. Sri. V. Mohandoss (Chairman of the Committee)
2. Sri. N. Balasubramanian
3. Sri. G. Srinivasan

During the year the IT Strategy Committee Meeting had met two times on 07.08.2018 and 03.12.2018 respectively.

Attendance of each Director at IT Strategy Committee Meetings:

Name of Director	Eligible Meetings	No. of Committee Meeting attended
V. Mohandoss	2	2
N. Balasubramanian	2	2
G. Srinivasan	2	2

### Asset Liability Committee

The Asset Liability Management Committee (ALMC) of the Board of Directors was constituted as per the requirement of Reserve Bank of India Regulations.

- i. The ALMC reviews the following:
  - ii. Addressing concerns regarding asset liability mismatches
  - iii. Addressing concerns regarding interest rate exposures
  - iv. Statement of short term dynamic liquidity, structural liquidity and interest rate sensitivity

The ALMC comprises of the following members as at 31st March 2019:

1. Smt. R.S. Isabella (Chairman of the Committee)
2. Sri. N. Balasubramanian
3. Sri. P. Mahalingam

The Committee met once during the year on 20.03.2019 and all the members were present during the meeting.

### **Risk Management Committee**

The Risk Management Committee (RMC) of the Board of Directors was constituted as per the requirement of Reserve Bank of India Regulations.

The Terms of reference of the RMC include:

- i. to ensures that all the risk associated with the functioning of the Company are identified, controlled and mitigated;
- ii. to lay down procedures regarding managing and mitigating the risk through Integrated Risk Management Systems, Strategies and Mechanisms ;
- iii. to deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process ;
- iv. to ensures that all the risk associated with the functioning of the Company are identified, controlled and mitigated;
- v. to lay down procedures regarding managing and mitigating the risk through Integrated Risk Management Systems, Strategies and Mechanisms ;
- vi. identifying, measuring and monitoring the various risk faced by the Company, assist in developing the Policies and verifying the Models that are used for risk measurement from time to time;
- v. to monitor the the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC;
- vi. to have oversight over implementation of risk and other policies including Anti Money Laundering and KYC (Know your Customer) Policies

The RMC comprises of the following members as at 31st March 2019:

1. Smt. R.S. Isabella (Chairman of the Committee)
2. Sri. N. Balasubramanian
3. Sri. P. Mahalingam



## **EVALUATION OF BOARD, COMMITTEES & INDEPENDENT DIRECTORS**

The Board of Directors have carried out an annual evaluation of its own performance, Committees and individual Directors pursuant to the provisions of Section 134 of the Companies Act, 2013.

In a separate meeting of Independent Directors held on Mar 20, 2019, performance of Non-Independent Directors, performance of the Board as a whole were evaluated, taking into account the criteria such as the i) Board composition and structure, ii) level of independence and non-partisan approach, iii) flow of timely information for decision making, iv) deliberations on issues that Management and the Board should consider and v) Initiative in terms of new idea and structure

## **DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS**

The Company has received necessary declarations of independence from each of its Independent Directors under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of Independent Director as envisaged in Section 149 (6) of the Companies Act, 2013. All Independent Directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Act, stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and are not disqualified from continuing as Independent Directors.

The Company has also received undertaking and declaration from each director on fit and proper criteria in terms of the provisions of Corporate Governance (Reserve Bank) Directions, 2015.

## **SEPARATE MEETING OF INDEPENDENT DIRECTOR**

A separate meeting of Independent Directors of the company was held on March 20, 2019 without attendance of Non-Independent Directors and members of the Management. All Independent Directors were present at the meeting and they reviewed the performance of Non-Independent Directors and assessed the quality, quantity and timeliness of flow of information between the company management and the board.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

Pursuant to the provisions of section 135 and Schedule VII of the Companies Act, 2013, CSR Committee has been constituted. The said committee has recommended and the Board has approved a policy on Corporate Social Responsibility (CSR), which can be accessed in the link given below.

[https://www.repcomicrofin.co.in/pdf\\_files/investors\\_files/CSR%20Policy1%20\(1\).pdf](https://www.repcomicrofin.co.in/pdf_files/investors_files/CSR%20Policy1%20(1).pdf)

For the financial year 2018-19, your Company was required to spend an amount of Rs. 60.10 lakh towards CSR. The detailed report on CSR is attached as Annexure II.

## **REMUNERATION POLICY:**

The Company has a policy in place relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under section 178(3) of the Companies Act, 2013 and the details of remuneration paid is set out in Note 20 (e) to the Financial Statements forming part of this report.

## **DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:-

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



- e. The directors had laid down internal financial control to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary, Joint venture or Associate Company.

### **STATUTORY AUDITOR:**

P.B. Vijayaraghavan and Co., Chartered Accountant (FRN: 004721S) had been appointed at the 10<sup>th</sup> Annual General Meeting as Statutory Auditor of the Company to hold office for a period of five years till the conclusion of the 15<sup>th</sup> Annual General Meeting of the Company.

The Company has received written consent(s) and certificate(s) of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued there under (including any statutory modification(s) or re-enactment(s) for the time being in force), from P.B. Vijayaraghavan and Co.

The Notes to Accounts forming part of the financial statements are self-explanatory and need no further explanation.

There are no qualifications or adverse remarks in the Auditor's Report, which require any clarification / explanation.

### **SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Sri. Amit Rathi, Practising Company Secretary to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report obtained from Sri. Amit Rathi, Practising Company Secretary is attached as Annexure-III and forms part of this Report.

## MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN 31<sup>ST</sup> MARCH AND THE DATE OF BOARD'S REPORT :

No material changes and commitments have occurred affecting the financial position of the Company after March 31, 2019 until the date of this Report.

### PENALTY

No penalty has been paid to any statutory bodies during the period under review.

### DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has constituted Internal Complaints Committee in line with the requirement of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The following is a summary of sexual harassment complaints received and disposed of during the year 2018-19.

No of complaints received: Nil

No of complaints disposed of: 1

### CREDIT RATING AND MICRO FINANCE GRADING

The Grading & Credit Rating obtained from the Rating agencies during the year are as below:

Rating Agency	Instrument	Rating	Limit in Rs. Cr.
CARE	Long term Bank Facilities	BBB +	400.00
ICRA	Long term Bank Facilities	BBB	50.00
CARE	MFI Grading	MFI 2	(3 <sup>rd</sup> highest grading on an eight point scale)



## RELATED PARTY TRANSACTIONS

During the year under review, the Company has not entered into any transactions with related parties, which are in conflict with the interest of the Company. Transactions with the related parties are disclosed under the head “Related Party Disclosure” as set out in Note 20 (e) to the Financial Statements forming part of Annual report.

## DISCLOSURE AND TRANSPARENCY

At regular intervals, Board of Directors of the Company discuss, review and decide upon matters related to policy formulations, appraisal of performances, overall supervision and control of your company.

Board of Directors of your company have also delegated various powers to Managing Director and Whole-time Director, who monitor the day-to-day activities of your company. Notice and Agenda setting out the business to be transacted are being sent to Directors in advance by complying to necessary regulations in this regard.

## ACKNOWLEDGMENT

Your Directors wish to place on record their sincere appreciation for the encouragement and co-operation received by the Company from the Bankers, Regulator, Repco Bank, Repco Home Finance, Sa-Dhan and its employees during the year.

For and on behalf of the Board of Directors

**Sri.N.Balasubramanian**  
**Whole Time Director**  
DIN-07832970

**Smt.R.S.Isabella**  
**Managing Director**  
DIN- 06871120

**ANNEXURE-I**

**ANNEXUE –1 TO THE BOARD’S REPORT**

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>As on financial year ended on 31.03.2018</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.</b>

**I REGISTRATION & OTHER DETAILS:**

i	CIN	U74900TN2007PLCO64126
ii	Registration Date	27.06.2007
iii	Name of the Company	RepcO Micro Finance Limited
iv	Category/Sub-category of the Company	Company having Share Capital
v	Address of the Registered office & contact details	RepcO Towers, No.33, North Usman Road, T.Nagar, Chennai-17
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Micro Finance lending	64990	100%



### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/ GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	-	-	-	-	-

#### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	3,36,00,000	3,36,00,000	68	-	4,72,00,000	4,72,00,000	68	-
	-				-				
<b>SUB TOTAL: (A) (1)</b>	-	3,36,00,000	3,36,00,000	68	-	4,72,00,000	4,72,00,000	68	-
<b>(2) Foreign</b>	-				-				
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

<b>SUB TOTAL (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Share-holding of Promoter (A)= (A) (1)+(A)(2)</b>	-	3,36,00,000	3,36,00,000	68	-	4,72,00,000	4,72,00,000	68	-

<b>B. PUBLIC SHARE-HOLDING</b>	-	-	-	-	-	-	-	-	-
<b>(1) Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
C) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies corporates	-	1,56,00,000	1,56,00,000	32	-	2,20,00,000	2,20,00,000	32	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(2):</b>	-	1,56,00,000	1,56,00,000	32	-	2,20,00,000	2,20,00,000	32	-

<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	-	1,56,00,000	1,56,00,000	32	-	2,20,00,000	2,20,00,000	32
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	4,92,00,000		100	-	6,92,00,000	6,92,00,000	100

(ii) **SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	REPCO BANK LTD	3,36,00,000	68	-	4,72,00,000	68	-	-
	Total	3,36,00,000	68	-	4,72,00,000	68	-	-

(iii) **CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	3,36,00,000	68	3,36,00,000	68

Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)

Date	Name of the Pomoter	Increase / Decrease	Reason	Number of shares	% of total shares of the company
26.06.2018	REPCO Bank	Increase	Allotment of Shares	1,36,00,000	68
	Total				
	At the end of the year	4,72,00,000	68	4,72,00,000	68

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	REPCO HOME FINANCE LIMITED	1,56,00,000	32	2,20,00,000	32

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the Year (as on 01/04/2018)		Cumulative Shareholding during the year(01/04/2018 to 31/03/2019)	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	-	-	-	-	-
2	-	-	-	-	-
3	-	-	-	-	-

\* Few Directors are holding equity shares on behalf of Repco Bank

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amounts in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	558,00,95,818	27,19,51,664	0	585,20,47,482
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	12,54,247	0	0	12,54,247
iii) Interest accrued but not due	558,13,50,065	27,19,51,664	0	585,33,01,729
<b>Total (i+ii+iii)</b>			0	
<b>Change in Indebtedness during the financial year</b>			0	

Additions	257,00,00,000	0	0	0
Reduction	90,03,63,237	7,15,79,733	0	0
<b>Net Change</b>			0	
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	725,09,86,828	20,03,71,931	0	745,13,58,759
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	42,33,065	0	0	42,33,065
<b>Total (i+ii+iii)</b>	<b>725,52,19,893</b>	<b>20,03,71,931</b>	<b>0</b>	<b>745,55,91,824</b>

## VI

### A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Managing Director	Whole Time Director	Total Amount
1	<b>Gross salary</b>	R.S. ISABELLA, MD *	Balasubramanian*	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	2,28,142.37	26,20,790.32	2848932.69
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others (specify)	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>2,28,142.37</b>	<b>26,20,790.32</b>	<b>28,48,932.69</b>
	<b>Ceiling as per the Act</b>	<b>10 % of Net Profit</b>		
<b>* Remuneration paid to Repco Bank as re-imburement</b>				

**B. Remuneration to other directors:**

(Amounts in Rs.)					
Sl.No	Particulars of Remuneration	Name of the Directors			
1	Independent Directors	V.Mohandass	G.Sudhakar	V.Dasaraty	
	(a) Fee for attending board committee meetings	1,00,000	-	45,000	
	(b) Commission	-	-	-	
	(c) Others, please specify	-	-	-	
	<b>Total (1)</b>	<b>1,00,000</b>	<b>-</b>	<b>45,000</b>	
2	Other Non Executive Directors	P.Mahalingam	R.Varadarajan*	Yashpal Gupta	Total
	(a) Fee for attending board committee meetings	45,000	60,000	-	
	(b) Commission	-	-	-	
	(c) Others, please specify.	-	-	-	
	<b>Total (2)</b>	<b>45,000</b>	<b>60,000</b>	<b>-</b>	
	<b>Total (B)=(1+2)</b>	<b>1,45,000</b>	<b>60,000</b>	<b>45,000</b>	
	<b>Total Managerial Remuneration</b>				<b>2,50,000</b>
	<b>Overall Ceiling as per the Act</b>	<b>1 % of Net Profit</b>			
<b>*Sitting fee paid to Repco Home Finance Limited</b>					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MAN-AGER/WTD (Amount in Rs.)**

Sl. No.	Particulars of Re-muneration	Key Managerial Personnel			
		CEO	Company Secretary-Anup Kumar Gupta (up to 07.08.2018)	Company Secretary-Lakshmi Raghupathy (From 03.12.2018)	CFO-V. Balasubramanian
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		3,29,633	2,60,267	7,17,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Not Applicable			
2	Stock Option				
3	Sweat Equity				
4	Commission				
	as % of profit				
	others, specify				
5	Others, please specify				
	Sodex		20,570	18,530	60,860
	Incentive		32,500	14,553	68,582
	Total		3,82,703	2,93,350	8,46,442

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**Sri. N. Balasubramanian**

Whole-time Director

DIN: 07832970

**Smt. R.S. Isabella**

Managing Director

DIN: 06871120

Date: 05.09.2019

Place: Chennai



## ANNEXURE-II

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (0) of sub.section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate social Responsibility) Rules, 2014]

1. The CSR Policy of the company can be accessed at

[https://www.repcomicrofin.co.in/pdf\\_files/investors\\_files/CSR%20Policy1%20\(1\).pdf](https://www.repcomicrofin.co.in/pdf_files/investors_files/CSR%20Policy1%20(1).pdf)

2. The composition of the CSR Committee as on 31<sup>st</sup> March, 2019 is as follows:

**Smt. R.S.Isabella** Managing Director - Chairman

**Sri. V. Mohandoss** Independent Director

**Sri. P. Mahalingam** Director

3. Average net profit before tax of the company for last three financial years

Particulars	Rs in lakh
Profit - 2017-18	4460.34
Profit - 2016-17	2619.31
Profit - 2015-16	1936.48
Average PROFIT for CSR purpose	3005.38
2% of average Profit for last three years	60.11

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) 2% of average net profit for last 3 years Rs. 60.11 lakh.

5. Details of CSR contribution made by the Company during the Financial Year

Particulars	Rs in lakh
CSR Expenditures - Between April 2018 and March 2019	60.11
TOTAL	60.11

a) Total amount spent by Company in CSR activities during the financial year :

Amount in Lakh:

S. No.	FY	Average Net Profit (Previous three years profit)	Prescribed CSR Expenditure (2% on Avg. Net profit)	Total Amount spent	Total Amount unspent	Total Amount spent in current year
1.	2015-16	7470.59	14.94	3.53	11.41	11.41
2.	2016-17	1255.03	25.10	7.39	17.71	17.71
3.	2017-18	1884.27	37.68	21	16.68	16.68
4.	2018-19	3005.38	60.11	60.11	-	60.11
Total						105.91

b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the Financial Year is detailed below.

1	2	3	4	5	6	7	8
S.No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period (FY 2015 -16	Amount spent: Direct or through Implementing Agency'

1.	- Promoting health care including preventive health care, sanitation and making available safe drinking water  Promoting Education, including special education	1. Health care, Sanitation & Safe drinking water  Promoting education	Contribution to Repatriates welfare Trust  (2) Tamil Nadu, Kerala and Karnataka States in which repatriate Students are studying	77.54	77.54	77.54	Direct
2	Promoting Education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	1.Promoting education	Contribution to Duraisivan Primary School  (2) Tamil Nadu	1.72	1.72	1.72	Direct

3	Promoting health care including preventive health care, sanitation and making available safe drinking water  Promoting Education, including special education	1. Health care  2. Promoting education	Contribution to Deenadayal Seva Samithi Trust  (2) Tamil Nadu	4.95	4.95	4.95	Direct
4	Promoting health care including preventive health care, sanitation and making available safe drinking water	1. Health care, Sanitation & Safe drinking water	Contribution to Rotary Club of Madras North Charitable Trust  (2) Tamil Nadu	3	3	3	Direct
5	Promoting health care including preventive health care	1. Health care	Contribution to RMD Pain and Palliative Care Trust  (2) Tamil Nadu	.69	.69	.69	Direct

6	<p>Promoting Education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects</p> <p>Promoting health care including preventive health care</p>	<p>1. Health care</p> <p>2. Rural Development Programme</p> <p>3. Soft Skills Programme</p>	<p>Contribution to Rural Development Organization Trust</p> <p>(2) Tamil Nadu</p>	7	7	7	Direct
7	<p>Promoting Education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects</p>	<p>1. Health care</p> <p>2. Skill Development</p>	<p>Contribution to Sri Muthumari Charitable &amp; Educational Trust</p> <p>(2) Tamil Nadu</p>	8	8	8	Direct

8	Promoting Education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	1. Health care, Sanitation & Safe drinking water  2. Promoting education	Contribution to Annai Arakkattalai  (2) Tamil Nadu	3	3	3	Direct
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6. Reasons for not been able to spend the entire two per cent of the average net profit of the last three financial years: NA

7. CSR Committee of Board affirms that CSR activities are implemented in accordance with CSR objectives of the Companies Act, 2013 and CSR Policy of your company.

For and on behalf of the Board of Directors

**Smt. R. S. Isabella**  
Chairperson  
DIN- 06871120

**Sri. V. Mohandoss**  
Member  
DIN- 06968914



## ANNEXURE-III

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Repco Micro Finance Limited

CIN# U74900TN2007PLC064126

‘Repco Tower’ No.33 North Usman Road,

T. Nagar, Chennai – 600017

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Repco Micro Finance Limited (hereinafter called “the company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31<sup>st</sup>, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Repco Micro Finance Limited for the financial year ended on March 31<sup>st</sup>, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Indian Contract Act, 1872
- (iii) Income Tax Act, 1961
- (iv) Negotiable Instruments Act, 1881
- (v) Contract Labour (Regulation & Abolition) Act, 1970,
- (vi) Employees Provident Fund Act, 1952
- (vii) Payment of Bonus Act, 1965
- (viii) Payment of Gratuity Act, 1972
- (ix) Maternity Benefits Act, 1961
- (x) Payment of Wages Act, 1936 and other applicable labour laws
- (xi) Goods and Services Act, 2016
- (xii) The Trade Marks Act, 1999
- (xiii) Reserve Bank of India Act, 1934 and the rules made thereunder
- (xiv) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under, *to the extent applicable*
- (xv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, *to the extent applicable*.

***I further report that since the company is not a listed entity the compliances under the following acts and regulations are not applicable to the company:***

- (I) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (II) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;





(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has:-

- i. Issued and allotted 2,00,00,000 fully paid up Equity Shares of face value Rs.10/- per share to the existing shareholders on Rights Basis at *par* aggregating to Rs.20 Crores on 26.06.2018.
- ii. Pursuant to the email received from Assistant Director & Inspector, CSR Cell, Ministry of Corporate Affairs, calling for information with regards to the requirements pertaining to Corporate Social Responsibility, as applicable to the company under section 135, read with Section 134(3) (o) of Companies Act, 2013 for the financial year 2015-16 vide reference number 18(P)/231/2018/CSR/15-16, the company has filed its reply to the same on 26<sup>th</sup> March 2019 and has also spent the entire unspent amount towards CSR during the year. There have been no penalties as such levied for the same.
- iii. Pursuant to the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 which came into force on 2<sup>nd</sup> October 2018, the Company had made application to NSDL for dematerialisation of the equity shares of the company and the ISIN number issued by NSDL is INE08J901015. The ISIN is activated in the system from 29.05.2019.

Place : Chennai

Date: 05.06.2019

Signature:

Amit Rathi

Company Secretary in Practice

ACS No. 30354

CP No. 11081



P.B. Vjayaraghavan &Co.,  
**Chartered Accountants**

Registered Office:

14, (Old No. 27) Cathedral Garden Road,  
Nungambakkam, Chennai - 6000 034.

Tel: +91-44-2826 3918 / 3490

Mobile : +91-98401 88734

Fax: +91-44-2827 6519

e-mail: admin@pbv.co.in

## **INDEPENDENT AUDITOR'S REPORT**

**To the members of REPCO MICRO FINANCE LIMITED (Formerly Repco MSME Development and Finance Limited) Chennai**

### **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **REPCO MICRO FINANCE LIMITED (Formerly Repco MSME Development and Finance Limited)** (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019, and its loss and its cash flow for the year ended on that date.

### **Basis for Opinion:**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act(SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone 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(ICAI) together with the

independence requirements that are relevant to our audit of the standalone financial statements under the provisions of **the** Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statement.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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.

The Management is also responsible for ensuring that the Company complies with the requirements of Master Circular and other applicable circulars and guidelines issued by the RBI as applicable and for providing all relevant information to RBI.

### **Auditor's Responsibility for the audit of the Financial Statements:**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Companies Act, RBI regulations, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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

- I. As required by the Companies (Auditor's Report) Order, 2017 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in Annexure - I a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
  - a) As required by Section 143 (3) of the Act, we report that:
    - i) 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164 of the Act.



- f) With respect to the adequacy of internal financial control systems and the operating effectiveness of such controls, we give our Report in Annexure – II
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations and hence there has been no disclosure on its financial position in its financial statements.
- 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: Chennai  
Date: 15/05/2019



**P. B. Vijayaraghavan & Co.,**  
Chartered Accountants  
FRN: 0047215

**P.B.Santhana Krishnan**

Partner

M.No.020309

## ANNEXURE - I TO INDEPENDENT AUDITOR'S REPORT

### Statement of matters specified in Para 3 & 4 of the order referred to in sub-section (1.1) of section 143

#### 1) Fixed Assets

1. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
2. As per the information and explanation given to us, all the fixed assets have been physically verified by the management at regular intervals, which in our opinion, is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
3. No immovable properties are held by the Company, hence reporting on this clause is not applicable.

#### 2) Inventory

The Company is a Non-Banking finance company, and it does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable to Company.

#### 3) Transactions with parties covered by register referred to in section 189

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.

#### 4) Loans by company to persons covered by section 185 & 186

The company has not made investment or granted loans, guarantees, and security to persons covered by section 185 and/or section 186 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable to the Company.

#### 5) Public Deposits

In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public and hence the provisions of sections 73 to 76 or any other provisions of the Companies Act and the rules made there under are not applicable to the company.

## **6) Maintenance of Cost Records**

Maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.

## **7) Statutory dues**

The company is regular in depositing undisputed statutory dues including provident fund, income-tax, GST, cess and any other statutory dues to the appropriate authorities.

## **8) Repayment of Loans**

The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders during the relevant financial year.

## **9) Raising of monies through Public Offer and/or Term Loans**

The company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the period covered under the relevant financial year. The company has taken term loans during the financial year and the same has been utilised for the intended purpose.

## **10) Frauds**

According to the information and explanations given to us no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

## **11) Managerial Remuneration**

Managerial remuneration has been paid/provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

## **12) Compliance with Net Owned Funds Ratio & unencumbered term deposits**

The company is not a Nidhi company and hence the provisions relating maintenance of ratio of Net Owned Funds to Deposits and maintenance of minimum prescribed percentage of unencumbered term deposits are not applicable to the Company.

## **13) Transaction with Related Parties**

The Company has entered into transactions with the related parties which are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.





#### **14) Preferential Allotment or Private Placement**

The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review as referred to in section 42 of the Companies Act, 2013.

#### **15) Non-cash transactions**

The company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.

#### **16) Registration with Reserve Bank of India**

The company is carrying on activities, which require registration under section 45-IA of the Reserve Bank of India Act, 1934 and necessary registration has been obtained from Reserve Bank of India.

Place: Chennai

Date: 15/05/2019

**P. B. Vijayaraghavan & Co.,**

Chartered Accountants

FRN: 0047215



**P.B.Santhana Krishnan**

Partner

M.No.020309

## ANNEXURE --II TO INDEPENDENT AUDITOR'S REPORT

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, ("the Act")

We have audited the internal financial controls over financial reporting of **REPCO MICRO FINANCE LIMITED (Formerly Repco MSME Development and Finance Limited)** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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. 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 information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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: Chennai

Date: 15/05/2019

**P. B. Vijayaraghavan & Co.,**

Chartered Accountants

FRN: 0047215

**P.B.Santhana Krishnan**

Partner

M.No.020309



<b>REPCO MICRO FINANCE LIMITED</b>			
(Formerly Repco MSME Development and Finance Limited)			
NO:33 NORTH USMAN ROAD, T NAGAR, CHENNAI 600017			
<b>BALANCE SHEET AS AT 31ST MARCH 2019</b>			
Particulars	Note No	As at 31st March 2019 (Amt in Rs.)	As at 31st March 2018 (Amt in Rs.)
<b>I EQUITY AND LIABILITIES</b>			
Shareholder's funds			
-Share Capital	2	69,20,00,000	49,20,00,000
-Reserves and Surplus	3	97,24,42,660	58,83,47,537
Non current liabilities			
-Long Term Borrowings	4	1,93,06,44,652	1,51,18,41,839
-Deferred Tax Liabilities (Net)		-	-
-Long term Provisions	5	12,90,02,055	9,94,67,252
Current Liabilities			
-Short Term Borrowings	6	3,66,44,40,656	2,99,44,41,861
-Other Current Liabilities	7	1,89,05,62,256	1,37,64,89,828
-Short Term Provisions	8	20,14,832	1,43,06,143
<b>TOTAL</b>		<b>9,28,11,07,112</b>	<b>7,07,68,94,460</b>
<b>II ASSETS</b>			
Non Current Assets			
-Fixed Assets	9		
-Property, Plant & Equipment		3,72,19,917	1,90,75,124
-Intangible Assets		1,10,79,249	-
-Deferred tax assets (net)	10	1,73,40,705	2,20,44,441
-Long term loans and advances	11	3,88,99,76,625	3,50,91,53,694
Current Assets			
-Cash and cash Equivalents	12	10,70,03,399	32,64,744
-Short-Term Loans and Advances	13	5,20,44,90,675	3,51,36,91,782
-Other Current Assets	14	1,39,96,542	96,64,676
<b>TOTAL</b>		<b>9,28,11,07,112</b>	<b>7,07,68,94,460</b>
Significant Accounting Policies	1		
Notes Forming Part of Accounts	20		

For P.B Vijayaraghavan & Co  
Chartered Accountants  
Firm Regn No:004721S

**P.B.Santhana Krishnan**  
Partner  
Membership No.020309

**N.Balasubramanian**  
Director  
DIN No:07832970

**R.S.Isabella**  
Managing Director  
DIN No:06871120

Place: Chennai  
Date:15.05.2019

**V.Balasubramanian**  
Chief Financial Officer  
Membership No:029407

**Lakshmi Raghupathy**  
Company Secretary  
Membership No:38072

**REPCO MICRO FINANCE LIMITED**

(Formerly Repco MSME Development and Finance Limited)  
NO:33 NORTH USMAN ROAD, T NAGAR, CHENNAI 600017

**Statement of Profit and Loss For The Year ended 31st March, 2019**

Particulars		Note No	As at 31st March 2019 (Amt in Rs.)	As at 31st March 2018 (Amt in Rs.)
III	INCOME:			
	Revenue From Operations	15	1,47,01,44,697	1,07,48,86,024
	Other Income	16	9,28,34,762	7,30,08,693
	Total Revenue		1,56,29,79,459	1,14,78,94,717
IV	EXPENDITURE			
	Employee Benefit Expenses	17	18,56,29,096	15,36,03,902
	Finance Costs	18	59,98,09,929	45,34,63,467
	Depreciation	9	1,42,40,246	78,42,584
	Other Expenses	19	8,39,22,568	5,28,90,709
	Provision for Non-Performing Assets		2,13,77,512	2,96,70,416
	Provision for Standard Assets & Other Contingencies		81,57,297	43,89,079
	Total expenses		91,31,36,648	70,18,60,157
V	Profit Before Taxation (III-IV)		64,98,42,811	44,60,34,560
VI	Tax Expense:			
	(1) Current Tax		18,98,65,328	16,04,78,646
	(2) Tax expense of earlier years		-	-
	(3) Deferred Tax		47,03,736	(45,16,088)
VII	Net Profit/(Loss) for the period		45,52,73,747	29,00,72,003
VIII	Earnings per equity share			
	Weighted Average Number of Shares Outstanding during the Period		6,44,87,671	4,92,00,000
	Basic and Diluted Earnings per share (Rs.)		7.06	5.90
	Nominal value per Equity Share (Rs.)		10	10
	Significant Accounting Policies	1		
	Notes Forming Part of Accounts	20		

For P.B Vijayaraghavan & Co  
Chartered Accountants  
Firm Regn No:004721S

**P.B.Santhana Krishnan**  
Partner  
Membership No.020309

**N.Balasubramanian**  
Director  
DIN No:07832970

**R.S.Isabella**  
Managing Director  
DIN No:06871120

Place: Chennai  
Date:15.05.2019

**V.Balasubramanian**  
Chief Financial Officer  
Membership No:029407

**Lakshmi Raghupathy**  
Company Secretary  
Membership No:38072

**REPCO MICRO FINANCE LIMITED**

(Formerly Repco MSME Development and Finance Limited)

NO:33 NORTH USMAN ROAD, T NAGAR, CHENNAI 600017

Particulars	Note No	As at March 31, 2019		As at March 31, 2018	
		Number	Amount (Rs)	Number	Amount (Rs)
<b>Shareholder's fund</b>					
<b>Note 2:</b>					
<b>A : SHARE CAPITAL</b>	2				
<i>Authorised Capital</i>					
Equity shares of Rs.10/- each		10,00,00,000	1,00,00,00,000	10,00,00,000	1,00,00,00,000
<i>Issued, Subscribed &amp; Paid up Capital</i>					
Equity shares of Rs.10/- each fully paid up.		6,92,00,000	69,20,00,000	4,92,00,000	49,20,00,000
As per Balance Sheet		6,92,00,000	69,20,00,000	4,92,00,000	49,20,00,000
<b>The company has only one class of shares referred to as equity shares having a par value of Rs.10/- each. Each holder of equity share is entitled to one vote per share.</b>					
<b>(a) Reconciliation of Share outstanding at the beginning and at the end of the year.</b>					
Shares outstanding at the beginning of the year		4,92,00,000	49,20,00,000	4,92,00,000	49,20,00,000
Shares issued during the year		2,00,00,000	20,00,00,000	-	-
Shares bought back during the year.		-	-		
Shares outstanding at the end of the year		6,92,00,000	69,20,00,000	4,92,00,000	49,20,00,000
Out of the above, shares held by Repco Bank Limited (Promoter)		47,20,00,000	22,00,00,000	3,36,00,000	33,60,00,000
<b>b) Shareholder holding more than 5 % of share capital</b>					
<b>Name of Shareholder</b>					
RepcO Bank Limited		47,20,00,000	68%	33,60,00,000	68%
RepcO Home Finance Limited		22,00,00,000	32%	15,60,00,000	32%
		69,20,00,000	100%	49,20,00,000	100%
<b>c) Shares allotted for consideration other than cash</b>					
Out of the above 74,99,940 Equity shares are allotted to Repco Bank on 31/03/2010 for consideration other than cash.					

<b>(d) Terms / rights attached to Equity Shares:</b>	3			
<p>The Company has only one class of Equity Share having a par value of Rs.10/- per share. Each holder of Equity Share is entitled to one vote per share.</p> <p>Dividend (if any) proposed by the board of directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.</p>				
<b>Note 3:</b>	3			
<b><u>RESERVES AND SURPLUS</u></b>				
<b><u>a) STATUTORY RESERVE(UNDER SECTION 45IC OF RBI ACT)</u></b>				
Opening Balance			15,90,00,000	10,00,00,000
(+ ) Current Year Transfer			9,10,54,749	5,90,00,000
(-) Written Back in Current Year			-	-
<b>Closing Balance</b>			<b>25,00,54,749</b>	<b>15,90,00,000</b>
<b>b) General Reserve</b>				
Opening Balance			1,39,41,227	8,50,00,000
(+ ) Current Year Transfer			7,10,58,773	-
(+ ) Dividend paid with Tax				7,10,58,773
<b>Closing Balance</b>			<b>8,50,00,000</b>	<b>1,39,41,227</b>
<b>c. Surplus In Statement of Profit and Loss</b>				
Opening balance			41,54,06,310	18,43,34,307
(+ )Net Profit / (Loss) for the year			45,52,73,747	29,00,72,003
(-)Appropriations			-	-
(-) Transfer to Statutory Reserve			-9,10,54,749	5,90,00,000
(-) Transfer to General Reserve			-7,10,58,773	-
(-)Dividend paid for previous year with Dividend distribution tax				-
(-)Dividend Distribution tax paid			-1,21,38,624	-
(-) Dividend paid			-5,90,40,000	
Closing balance			63,73,87,911	41,54,06,310
Total of Reserves and Surplus (a+b+c)			97,24,42,660	58,83,47,537



<b>Note 4:</b>				
Non-Current Liabilities				
<b>LONG TERM BORROWINGS</b>	4			
Secured				
Term Loan from Banks			93,84,72,525	1,31,05,19,617
* Long Term Borrowings and current maturities of long term borrowings from Banks are Secured by Hypothecation of Micro finance Receivables				
Secured				
Term Loans from Repco Bank			99,21,72,127	20,13,22,222
As per Balance Sheet			1,93,06,44,652	1,51,18,41,839
<b>Note 5:</b>				
<b>LONG TERM PROVISIONS:</b>	5			
Towards Non Performing advances			9,27,08,656	7,13,31,144
Towards Standard advances			3,62,93,405	2,78,13,773
other contingencies			-	3,22,335
As per Balance sheet			12,90,02,061	9,94,67,252
<b>Note 6:</b>				
<b>SHORT TERM BORROWINGS:</b>	6			
Secured				
Loans repayable on Demand				
			3,66,44,40,656	2,99,44,41,861
As per Balance Sheet			3,66,44,40,656	2,99,44,41,861
*Short Term Borrowings from Repco Bank is Secured by Hypothecation of Micro finance Receivables				
<b>Note 7:</b>				
<b>OTHER CURRENT LIABILITIES</b>	7			
Current Maturities of Long Term Borrowings				
Secured				
Term Loans from Banks			1,77,80,73,647	1,27,51,34,339
<b>Unsecured</b>				
Term Loans from Repco Bank			7,81,99,804	7,06,29,442
<b>Other Liabilities*</b>			3,42,88,805	3,07,26,047

<p>*There are no Micro and Small Enterprises to whom the company owes dues, which are outstanding for more than 45 days as of 31st March 2019. This information as required to be disclosed under 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. There are no overdues to parties on account of principal amount and/or interest and accordingly no additional disclosures have been made.</p>					
<p><b>As per Balance sheet</b></p>			1,89,05,62,256		1,37,64,89,828
<p><b>Note 8:</b></p>					
<p><b>SHORT TERM PROVISIONS</b></p>	8				
<p>Employee benefits</p>			9749504		49,84,830
<p>Income Tax (Net of Advance Tax)</p>			-7734672		93,21,313
<p><b>As per Balance Sheet</b></p>			20,14,832		1,43,06,143
<p><b>Note 10:</b></p>					
<p><b>DEFERRED TAX</b></p>	10				
<p><b>Deferred Tax Assets:</b></p>					
<p>Provision towards Non performing advances/Standard Advances and other contingencies</p>			1,61,94,849		2,09,97,867
<p>Other timing Differences</p>			28,39,056		17,25,150
<p><b>Gross Deferred Tax Asset (A)</b></p>			1,90,33,904		2,27,23,017
<p><b>Deferred Tax Liabilities:</b></p>					
<p>Difference Between Written Down Value of Fixed Assets as per Companies act and as per Income tax Act.</p>			16,93,199		6,78,576
<p><b>Gross Deferred Tax Liability (B)</b></p>			16,93,199		6,78,576
<p><b>Net Deferred tax Asset/(Liability) (A-B)</b></p>			1,73,40,705		2,20,44,441
<p>As per Balance sheet</p>			1,73,40,705		2,20,44,441

<b>Note 11</b>	11			
<b>LONG TERM LOANS &amp; ADVANCES</b>				
<b>(Un Secured &amp; Considered Good excepting Non performing advances )</b>				
Micro Finance Loans to Self Help groups			3,87,66,79,875	3,49,76,34,944
Rent Deposit			1,32,96,750	1,15,18,750
In the opinion of the Management, the current assets, Loans and Advances as stated in the Balance Sheet are realizable in the normal course of business				
<b>As per Balance Sheet</b>			<b>3,88,99,76,625</b>	<b>3,50,91,53,694</b>
<b>Note 12:</b>				
<b>CASH AND CASH EQUIVALENTS</b>	12			
Cash on Hand			3,752	3,752
Balances with Banks				
- Current Account			10,67,67,443	23,55,428
- Savings Bank account			2,32,204	9,05,564
<b>As Per Balance Sheet</b>			<b>10,70,03,399</b>	<b>32,64,744</b>
<b>Note 13</b>				
<b>SHORT TERM LOANS &amp; ADVANCES</b>	13			
<b>(Un Secured, considered good excepting Non performing advances)</b>				
Current Maturities of Micro finance Loan			5,19,50,81,338	3,50,81,53,217
Current Maturities of Other advances			30,19,539	20,60,076
Prepaid expenses			56,89,278	25,04,040
Advances recoverable in Cash or in Kind or value to be received			7,00,520	9,74,449
Advance Tax/TDS (Net of provision for Income tax)			-	-
In the opinion of the Management, the current assets, Loans and Advances as stated in the Balance Sheet are realizable in the normal course of business.				
<b>As per Balance sheet</b>			<b>5,20,44,90,675</b>	<b>3,51,36,91,782</b>
<b>Note 14</b>				
<b>OTHER CURRENT ASSETS</b>				
Interest overdue on Micro Finance Loans			42,33,065	7,82,605
Interest accrued on MF loans			97,63,477	88,82,071
<b>As per Balance sheet</b>			<b>1,39,96,542</b>	<b>96,64,676</b>

**REPCO MICRO FINANCE LIMITED**

(Formerly Repco MSME Development and Finance Limited)

NO:33 NORTH USMAN ROAD, T NAGAR, CHENNAI 600017

Particulars	Note No	As at 31st March 2019 (Amt in Rs.)	As at 31st March 2018 (Amt in Rs.)
Note 15			
<b><u>Revenue from operations</u></b>	15		
Interest from Micro Finance Loan		1,47,01,44,697	1,07,48,86,024
Total		1,47,01,44,697	1,07,48,86,024
Note 16			
<b><u>Other income:</u></b>	16		
Recovery of bad debts written off		62,912	7,74,447
Interest on Bank Deposits		0	2,69,778
Evaluation Fee		9,27,06,780	7,19,64,468
Others		65,070	-
Total		9,28,34,762	7,30,08,693
Note No.17			
<b><u>Employee benefit expenses:</u></b>	17		
Salaries & Allowances		14,27,71,137	12,19,87,709
Contribution to provident and other funds		43,57,081	36,05,254.00
Staff Welfare		3,85,00,878	2,80,10,939
Total		18,56,29,096	15,36,03,902
Note No.18			
<b><u>Finance Costs:</u></b>	18		
Interest on Term Loans		28,08,84,651.25	21,39,74,357
Interest on SODL/ Cash Credit		31,54,72,682	23,40,26,262
Others		34,52,595	54,62,848
Total		59,98,09,929	45,34,63,467

Note No.19			
<b><u>Other expenses :</u></b>	19		
Printing and Stationery		18,73,243	24,71,965
Office Expenses, Postage & Telegraph		39,64,816	38,81,190
Rent		2,02,81,070	1,79,75,197
Repairs and Maintenance - others		22,20,234	15,24,968
Telephone Charges		19,04,312	14,30,552
Electricity Charges		24,41,499	19,68,971
Remuneration to Auditors towards			
- Statutory audit		4,72,000	4,36,000
- Tax audit and tax representation		1,74,400	1,47,150
- Other Services		1,47,150	1,49,970
Professional & Legal Charges		43,60,682	34,18,779
Leased Line Charges		91,65,240	42,13,182
Bad debts written off		1,93,46,232	63,71,109
CSR Activities		1,05,91,872	21,00,000
Flood Relief contribution to Chief Minister Fund		10,00,000	0
Other expenses		59,79,818	58,46,719
<b>Total</b>		<b>8,39,22,568</b>	<b>5,28,90,709</b>

## REPCO MICRO FINANCE LIMITED

(Formerly Repco MSME Development and Finance Limited)

NO:33 NORTH USMAN ROAD, T NAGAR, CHENNAI 600017

PAR-TICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As on 1st April 2018	Additions	Deletions	As on 31st March 2019	As on 31st March 2018	For the year	Deletions	As on 31st March 2019	As on 31st	As on 31st March 2018
TANGIBLE ASSETS :										
Furniture and fittings	67,59,299	12,15,988	-	79,75,287	24,81,983	6,49,698	-	31,31,681	48,43,606	42,77,316
Temporary Structures	1,52,23,886	13,82,806	-	1,66,06,692	1,45,05,448	13,13,666	-	1,58,19,114	7,87,578	7,18,438
Office equipments	15,47,344	6,43,386	-	21,90,730	7,41,157	3,45,948	-	10,87,105	11,03,625	8,06,187
Electrical equipments	32,66,240	10,90,790	6,693	43,50,337	4,84,331	3,48,607	-	3,48,607	35,17,399	27,81,909
Computer	3,36,12,754	2,44,51,846	-	5,80,64,600	2,38,84,115	86,31,778	-	3,25,15,893	2,55,48,707	97,28,639
<b>Total</b>	<b>6,19,81,458</b>	<b>2,96,89,810</b>	<b>6,693</b>	<b>9,16,64,575</b>	<b>4,29,06,336</b>	<b>1,15,38,321</b>	<b>-</b>	<b>5,44,44,657</b>	<b>3,72,19,917</b>	<b>1,90,75,122</b>
INTANGIBLE ASSETS:										
Software	7,50,293	1,37,81,174	-	1,45,31,467	7,50,293	27,01,925	-	34,52,218	1,10,79,249	-
<b>Total</b>	<b>7,50,293</b>	<b>1,37,81,174</b>	<b>-</b>	<b>1,45,31,467</b>	<b>7,50,293</b>	<b>27,01,925</b>	<b>-</b>	<b>34,52,218</b>	<b>1,10,79,249</b>	<b>-</b>
<b>Total</b>	<b>6,27,31,751</b>	<b>4,34,70,984</b>	<b>6,693</b>	<b>10,61,96,042</b>	<b>4,36,56,629</b>	<b>1,42,40,246</b>	<b>-</b>	<b>5,78,96,875</b>	<b>4,82,99,166</b>	<b>1,90,75,122</b>

### Clause 14 - Particulars of depreciation applicable as per the Income tax Act, 1961

Block of assets	Rate of Depreciation	Opening written down value 1 April 2015	Additions made during the year		TOTAL Additions	Deletion Sale of Asset	Total cost	Depreciation for the Year			WDV as on 31.03.2019
			Put to use for <180 days	Put to use for >= 180 days				More than 180 days	Less than 180 days	Total	
Plant & Machinery (Vehicles)	15%	9,10,506	-	9,04,994	9,04,994	-	18,15,500	2,72,325	-	2,72,325	15,43,175
Furniture & Fixture	10%	46,39,698	7,32,344	4,83,644	12,15,988	-	58,55,686	5,12,334	36,617	5,48,951	53,06,735
Electrical Fittings, Electronic Equipments and office equipment	15%	35,42,826	6,35,359	10,98,817	17,34,176	-	52,77,002	6,96,246	47,652	7,43,898	45,33,104
Computer and Software	40%	73,79,307	1,18,54,168	2,63,79,032	3,82,33,200	-	4,56,12,507	1,35,03,336	23,70,834	1,58,74,169	2,97,38,338
Temporary Structure	40%	6,42,035	7,75,221	6,07,585	13,82,806	-	20,24,841	4,99,848	1,55,044	6,54,892	13,69,949
<b>Total</b>		<b>1,71,14,372</b>		<b>2,94,74,072</b>	<b>4,34,71,164</b>	<b>-</b>	<b>6,05,85,536</b>			<b>1,80,94,236</b>	<b>4,24,91,300</b>

Note:

- The auditors have relied upon the Income tax records of the Company for the information regarding the opening written down value of the assets. For the classification of additions to assets, the auditors have relied upon the management's classification.
- There are no adjustments on account of any Cenvat credit, foreign exchange fluctuation, subsidy/grant, receipt during the year.
- In relation to additions to fixed assets, the date of installation and date of asset put to use are as certified by the Company.

**REPCO MICRO FINANCE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDING MARCH 31, 2019**

Particulars	For the year ended March 31, 2019 (Amt in Rs.)		For the year ended March 31, 2018 (Amt in Rs.)	
<b>1 CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>NET PROFIT BEFORE TAX</b>		<b>64,98,42,811</b>		<b>44,60,34,560</b>
Adjustments For:				
Depreciation_ added back	1,42,40,246		78,42,584	
(Profit)/Loss on Sale of Fixed Assets			-	
Interest Earned on Deposits			-2,69,778	
Bad debts written off	1,92,83,320		63,71,109	
Deffered tax	-			
Provision for Non-Performing Assets/ Standard Assets	2,95,34,803		3,40,59,495	
		6,30,58,369		4,80,03,410
<b>Operating Profit Before Working Capital Changes</b>		<b>71,29,01,180</b>		<b>49,40,37,970</b>
<b>Changes in Working Capital</b>				
Increase/(Decrease) in other current liabilities		-1,22,91,311		72,43,226
(Increase)/Decrease in Long term and short term loans & advances		66,61,28,023		-1,71,89,137
(Increase)/Decrease in other current assets		-2,36,15,186		-4,43,868
Increase/(Decrease) in current liabilities		51,40,72,428		23,73,570
<b>Operating Profit after Working Capital Changes</b>		<b>1,85,71,95,134</b>		<b>48,60,21,761</b>
Direct Taxes Paid		-18,98,65,328		-15,17,95,000
<b>Net Cash From Operations</b>		<b>1,66,73,29,806</b>		<b>33,42,26,761</b>

	<b>(Increase)/Decrease in Micro finance loans_ outflow</b>	<b>-38,08,22,931</b>	<b>-77,01,10,893</b>
	<b>(Increase)/Decrease in Current maturities of Micro finance loans</b>	<b>-1,68,69,28,121</b>	<b>-1,50,95,61,236</b>
	<b>Net Cash Generated from operating activity (A)</b>	<b>-40,04,21,246</b>	<b>-1,94,54,45,368</b>
2	<b>Cash Flow From Investing Activities</b>		
	Purchase of Fixed Assets_ outflow	-4,34,64,289	-83,67,120
	Sale of Fixed Assets		-
	Subscription to Investments		-
	Interest Earned on Deposits	-	2,69,778
	Dividend received on Investments	-	-
	<b>Net Cash Used in Investing Activities (B)</b>	<b>-4,34,64,289</b>	<b>-80,97,342</b>
3	<b>Cash Flow From Financing Activities</b>		
	Proceeds from Issue Share Capital(Net off of Issue Expenses)	20,00,00,000	-
	Increase in Secured and Unsecured Loans(Net)_ inflow	41,88,02,813	1,86,12,45,023
	Dividends Paid(Including Dividend distribution tax)	-7,11,78,624	-
	<b>Net Cash Used in Financing Activities (C)</b>	<b>54,76,24,189</b>	<b>1,86,12,45,023</b>
	<b>Net Increase/Decrease in cash and cash equivalent (A+B+C)</b>	<b>10,37,38,655</b>	<b>-9,22,97,686</b>
	Cash and Cash Equivalents - Opening Balance (D)	32,64,744	17,41,59,786



Cash and Cash Equivalents - Closing Balance *	10,70,03,399	32,64,744
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (E-D)</b>	<b>10,37,38,655</b>	<b>-17,08,95,042</b>
* Includes balance in unpaid dividend account which are not available for use by the company	-	7,85,97,355
<b>Note:</b>		
Cash and cash equivalents consist of Cash on Hand, Balance with Banks. Cash equivalents included in Cash Flow Statement comprises the following Balance Sheet amounts:		
(i) Balances with banks		
- in Current accounts	10,67,67,443	23,55,428
in savings bank account	12,704	9,05,564
in deposit accounts with original maturity upto 3 months		
(ii) Cash on hand	13,13,665	3,752
	<b>10,80,93,812</b>	<b>32,64,744</b>

For P.B Vijayaraghavan & Co  
Chartered Accountants  
Firm Regn No:004721S

**P.B.Santhana Krishnan**  
Partner  
Membership No.020309

**N.Balasubramanian**  
Director  
DIN No:07832970

**R.S.Isabella**  
Managing Director  
DIN No:06871120

Place: Chennai  
Date:15.05.2019

**V.Balasubramanian**  
Chief Financial Officer  
Membership No:029407

**Lakshmi Raghupathy**  
Company Secretary  
Membership No:38072

## REPCO MICRO FINANCE LIMITED

(Formerly Repo MSME Development and Finance Limited)

NO: 33, North Usman Road, T.Nagar, Chennai 600 017

### NOTE 1:

#### CORPORATE INFORMATION

Repro Micro Finance Limited (“RMFL” / “the Company”) was incorporated on 27th June 2007. The Company is a Non-Banking Finance Company - Micro Finance Institution (NBFC-MFI).

RMFL is predominantly engaged in the business of providing financial and other related support service to Self Help Group (SHG) with a view to enhance their income generation capabilities.

The company provides collateral free loans to self help groups and the repayment of the loans are by way of equated monthly instalments.

The company continues to undertake the business of NBFC-MFI requiring the holding of Certificate of Registration (COR) under section 45-IA of the RBI act, 1934 on 23<sup>rd</sup> January 2014 and the company also fulfilled all conditions stipulated to be classified as NBFC-MFI.

#### Significant Accounting policies:

##### A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention method in accordance with the Generally Accepted Accounting Principles (GAAP) and the provisions of the Companies Act 2013 and Mandatory Accounting Standards as prescribed under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014. The accounting policies adopted in the preparation of financial statements are consistent with those followed in previous year.

The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India for NBFC-MFI's.

##### B. Income Recognition:

- a) Interest income on Loans given is recognized under **effective rate of interest method**. Income on Non – Performing assets is recognized only when realized in accordance with the Reserve Bank of India Guidelines.



- b) All other income is recognized on an accrual basis.
- c) Evaluation fee is recognized upfront when it becomes due.

### **C. Use of Estimates**

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

### **D. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **E. Provision for Non-Performing Assets/Performing Assets:**

**Advances are classified into Performing and Non- Performing Assets. Provision for Performing and Non-performing assets are made in accordance with the Reserve Bank of India Guidelines. As Per RBI Master Direction DNBR .PD.008/03.10.119/2016-17 (Non Banking Financial Company –Systematically Important, Non Deposit taking Company (Reserve Bank )Directions,2016, as amended).**

The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of the following:

1% of the outstanding loan portfolio

(or)

50% of the aggregate loan balances where instalments are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan balances where instalments are overdue for 180 days or more.

In Addition to the Above the standard assets are provided provisions at the rate of 0.4% on the balance.

## F. Fixed Assets and Depreciation:

Fixed Assets are stated at cost less accumulated depreciation. Cost includes taxes, duties and other incidental expenses related to the acquisition and installation of the assets.

Depreciation on Fixed assets is provided on the basis of schedule II of the Companies Act 2013.

The Management estimates useful life of the Fixed Assets as follows:-

Nature of the Asset	Useful life ( In Years)
Furniture and Fittings	10
Office Equipment	5
Electrical Equipment	10
Computer Software and electronic equipment	3
Temporary Structure (Partition work)	1
Vehicles	6.67

## G. Impairment of Assets:

The carrying values of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

## H. Borrowing Costs:

Borrowing costs include interest and ancillary costs that the Company incurs in connection with the borrowings. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss.

## I. Employee Benefits:

Retirement benefit in the form of provident fund, Gratuity fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund & Gratuity fund.

The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes, though the actuarial valuation has been done. It has been recognised in the books as per Fund house statement(LIC), same has not been recognised based on actuarial valuation.

Particulars	As per Actuarial report	As per Fund House Statement (LIC)
Liability Recognised in Balance sheet	Rs.29,96,541	Rs.97,49,504.00
Expenses to be Recognised in Profit and loss a/c	Rs.7,22,316	Rs.47,64,674

### J. Segment Reporting:

The company is primarily engaged in the business of micro finance in India. All the activities of the company revolve around the main business. **As such there are no separate business and geographic reportable segments as per AS – 17 “Segment Reporting”** Hence segment reporting is not required.

### K. Lease:

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments (Rents) under operating leases are recognized as an expense on a straight-line basis over the lease term.

### L. Earnings Per Share:

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

have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

### **M. Taxes on Income:**

Current tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax is recognized on timings difference being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

### **N. Provisions and Contingencies:**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes to the Financial Statements.

### **O. Prior Period Items:**

Prior period items to **income** or **expenses** which arise in the current **period** as a result of errors or omissions in the preparation of the financial statements of one or more **prior periods**.

There was no such prior period items found during the year, which could effect current year.

### **P. Operating Cycle:**

Based on the nature of its activities, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## Note 20

### Other Notes

#### CRAR

Items		Current Year	Previous Year
i)	CRAR (%)	18.19	15.38
ii)	CRAR-Tier I capital (%)	18.19	15.38
iii)	CRAR-Tier II capital (%)	---	---
iv)	Yield on advance	19.06	19.19
v)	Interest cost on borrowings	9.67	10.06

#### b) Exposure

##### i) Exposure to Real Estate Sector

Category			Current Year	Previous Year
a)	(i)	Direct exposure	Nil	Nil
		Residential Mortgages-	Nil	Nil
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented ; (individual housing loans upto to Rs.15 lakhs may be shown separately)	Nil	Nil
	(ii)	Commercial Real Estate -	Nil	Nil
		Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits;	Nil	Nil
		(iii) Investment in Mortgage Backed Securities (MBS) and other securitised exposures –	Nil	Nil
		a. Residential,	Nil	Nil
b. Commercial Real Estate.	Nil	Nil		
b)	Indirect exposure			
	Fund based and non-based exposures on National Housing Bank (NHB) and Housing Finance companies (HFCs)		Nil	Nil

c) Asset Liability Management.

Maturity pattern of certain items of assets and liabilities:

(in lacs)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>									
Borrowings from bank	38301.50	1532.07	1579.63	4867.15	8926.80	19306.45	-	-	74513.59
	(31165.41)	(1165.41)	(1167.82)	(3449.32)	(6454.09)	(15118.42)	-	-	(58520.47)
Market Borrowings	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Assets</b>									
Advances	5694.60	4821.96	4769.31	13541.39	23123.54	38766.80	-	-	90717.61
	(3606.55)	(3062.34)	(3058.48)	(8887.56)	(16466.60)	(34976.35)	-	-	(70057.88)
Investments	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

d) Other disclosures as per RBI Guidelines

	Liabilities side:	Amount Rs. In Lakhs		Amount Rs. In Lakhs	
(1)	Loans and advance availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount outstanding		Amount overdue	
	(a) Debentures : Secured	Nil	[Nil]	NIL	[Nil]
	:Unsecured	Nil	[Nil]	NIL	[Nil]
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	Nil	[Nil]	Nil	[Nil]
	(c) Terms Loans	37869.18	(28576.05)	Nil	[Nil]
	(d) Inter - corporate loans and borrowing	Nil	[Nil]	Nil	[Nil]
	(e) Commercial paper	Nil	[Nil]	Nil	[Nil]
	(f) Other Loans (specify nature) (SODL from Repco Bank Ltd)	36644.40	(29944.41)	Nil	[Nil]



	Asset Side:	Amount (Rs.)	
		Amount Outstanding (Rs In Lakhs)	
(2)	Break - up of Loans and Advances including bills receivable (other than those included in (4) below):		
	(a) Secured	Nil	Nil
	(b) Unsecured	90717.61	(70057.88)
	Please see Note 1 below		
(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors:	Nil	Nil
	(a) Financial lease	Nil	Nil
	(b) Operating lease	Nil	Nil
	(ii) Stock on hire including hire charges under sundry debtors:	Nil	Nil
	(a) Assets on hire	Nil	Nil
	(b) Repossessed Assets	Nil	Nil
	(iii) Other loans counting towards AFC activities	Nil	Nil
	(a) Loans where assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil
(4)	Break- up of Investments:	Nil	Nil

(5)	Borrower group - wise classification of assets financed as in (2) and (3) above: please see Note 2 below			
	Category	Amount net Provisions		
		Secured	Unsecured	Total
	1. Related parties	Nil	Nil	Nil
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) other related parties	Nil	Nil	Nil
	2. Other than related parties	Nil	Nil	Nil
	Total	Nil	Nil	Nil
(6)	Investors group- wise classification of all investments ( current and long term) in shares and securities ( both quoted and unquoted): please see note 3 below			

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

(7) Other information:

	Particulars	Amount (Rs. In lakhs)	
		2018-19	2017-18
(1)	Gross Non- Performing Assets	789.91	550.54
	(a) Related Parties	NIL	NIL
	(b) Other than related parties	789.91	550.54
(2)	Net Non - Performing Assets	NIL	NIL
	(a) Related Parties	NIL	NIL
	(b) Other than related parties	NIL	NIL
(3)	Assets acquired in satisfaction of debt	NIL	NIL

**e) Related Party Disclosure:**

Key Management personnel:

1. Smt R S Isabella (Managing Director – (from 06-06-2016)
2. Shri. N. Balasubramanian (Director)
3. Shri.V.Balasubramanian (CFO)
4. Shri.Anup Kumar Gupta (CS) upto 08.08.2018
5. Smt.Lakshmi Raghupathy (CS) from 03.12.2018

**Persons having significant influence:**

1. Repco Bank Limited
2. Repco Home Finance Limited

(Amount in Lakhs)

Nature of Transactions	Key Management Personnel		Persons having significant influence			
	Director		RepcO Bank		RepcO Home Finance Limited	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>Share Capital</b>						
Equity Shares	-	-	4720.00	3360.00	2200.00	1560.00
Balance in savings Bank account maintained with the promoter	-	-	2.32	9.06	-	-
Balance in SODL/Cash Credit account maintained with the promoter	-	-	36644.40	29944.42	-	-
Unsecured Loans availed from the promoter/ Balance outstanding	-	-	2003.71	2719.52	-	-
Secured Loans availed from the promoter/ Balance outstanding	-	-	8700.00	-	-	-
Remuneration*	-	-	-	-	-	-
Rent Reimbursement	-	-	17.24	31.5		
Remuneration to Managing Director	*2.28	2.55	-	-	-	-
Remuneration to Whole Time Director	*26.20	17.58	-	-	-	-
Remuneration to Chief Financial Officer	8.46	6.98	-	-	-	-
Remuneration to Shri.Anup Kumar Gupta (CS)	3.82	10.75	-	-	-	-
Remuneration to Smt. Lakshmi Raghupathy (CS)	2.79	-	-	-	-	-
Reimbursement of establishment cost	-	-	-	-	-	-
Interest Income received from the Repco Bank						
-Savings Bank	-	-	-	2.70	-	-
Interest paid to Repco Bank					-	-
- SODL	-	-	3154.72	2340.26	-	-
- Unsecured Loans	-	-	275.31	330.38	-	-

\*Excluding GST

Remuneration paid to Repco Bank as reimbursement.

f) Disclosure Pursuant to RBI Notification DNBR (PD) CC No.008/03.10.119/2016-17.

A. Customer Complaints:

No of complaints pending as on 01.04.2018	0
No of complaints received during the year	1
No of complaints redressed during the year	0
No of complaints pending as on 31.03.2019	1

B. Details of Registration with Regulators:

Sl No	Name of Registration Authority	Registration No
1	Reserve Bank of India	N-07-00780
2	Ministry of Company affairs	U74900TN2007PLC64126

C. Ratings assigned by Credit rating agencies:

Particulars	As at 31 March 2019	As at 31 March 2018
Commercial paper	NA	NA
Working Capital Facility (Cash Credit/WCDL)	NA	NA
Long-Term bank facilities	ICRA ----"BBB"	ICRA ----"BBB"
	CARE --- "BBB+"	CARE --- "BBB+"
Long-Term Non-Convertible Debentures	NA	NA
MFI Grading	NA	ICRA ----- "M3+"
	CARE -----"M2"	CARE -----"M2"
Subordinated Debt	NA	NA
Perpetual Debt	NA	NA

D. Provisions and Contingencies:

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year (In Lakhs)	Previous Year (In Lakhs)
Provisions for depreciation on Investment	0	0
Provision towards NPA	213.77	297.48
Provision made towards Income tax	1898.65	1604.78
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets	81.57	43.11

E. Concentration of Advances, Exposures & NPA's:

Particulars	As at 31 March 2019	As at 31 March 2018
Total Advances and Exposures to twenty largest borrowers	Refer Note below	Refer Note below
Total Exposure to top four NPA accounts	Refer Note below	Refer Note below
Percentage of Advances and Exposures to twenty largest borrowers to Total Advances of the NBFC	Refer Note below	Refer Note below

The Company operates in the business of microfinance providing collateral free loans for fixed amounts ranging from Rs.35,000 to Rs.1,00,000 to women engaged in various income generating activities. As at 31 March 2019, the Company has provided loans to more than 3.81 lac women and hence, the disclosure relating to concentration to advances, exposures and NPA's are not applicable to the Company.

F. Sector-wise NPAs as on March 31, 2019

S 1 No	Sector	Percentage of NPAs to Total Advances in that sector as on	Percentage of NPAs to Total Advances in that sector as on
		31-Mar-19	31-Mar-18
1	Agriculture & allied activities	NA	NA
2	MSME	0.86%	0.79%
3	Corporate borrowers	NA	NA
4	Services	NA	NA
5	Unsecured personal loans	NA	NA
6	Auto loans (commercial vehicles)	NA	NA
7	Other loans	NA	NA

G. Movement of NPA:

Particulars	As at 31 March 2019 (Rs.In lakhs)	As at 31 March 2018 (Rs.In Lakhs)
(i) Net NPAs to Net Advances (%)	NIL	NIL
<b>(ii) Movement of NPAs (Gross)</b>		
(a) Opening balance	550.54	426.37
(b) Additions during the year (Net off reductions)	239.37	124.17
(C) Closing balance	789.91	550.54
<b>(iii) Movement of Net NPAs</b>		
(a) Opening balance	NIL	NIL
(b) Additions during the year	NIL	NIL
(c) Reductions during the year	NIL	NIL
(d) Closing balance	NIL	NIL
<b>(iv) Movement of provisions for NPAs (excluding provisions on standard assets)</b>		
(a) Opening balance (excluding Housing loan)	700.84	403.36
(b) Provisions made during the year	206.32	297.48
(c) Provision for NPA (a+b)	907.16	700.84
Housing loan provision made(closing Balance)	19.91	12.47
(d) Closing Balance	927.08	713.31

#### H. Earnings per Share:

Particulars	For the year ended 31/03/2019	For the year ended 31/03/2018
Profit after Tax - Rs. in Lakhs	4552.73	2903.63
Weighted Average Number of Equity Shares (Nos.)	64487671	49200000
Earnings Per Share		
Basic - in Rs.	7.06	5.90
Diluted - in Rs.	7.06	5.90
Face Value Per Share (Rs.)	10.00	10.00

#### I) CSR Activities:

The gross amount required to be spent by the company during the year 18-19 as CSR expenditure under section 135 of the Companies Act of 2013 is Rs/60,10,764.44- being 2% of the average profits after tax of past three financial years. The amount is required to be spent on qualifying activities as CSR expenditure as per Schedule VII of the Companies Act 2013.

During the financial year 18-19 the company has spent sums aggregating to Rs. 1,05,91,872 towards CSR activities including the unspent amount of the earlier years.

a) Gross amount required to be spent by the company during the year is Rs.60.10 lakhs.

Particulars	In cash (Rs in lakhs)	Yet to be paid in cash (Rs in lakhs)	Total(Rs.)
1. Construction or acquisition of any asset			
2. other purpose other than (i)	1,05,91,872	0	Rs.1,05,91,872
TOTAL	Rs.1,05,91,872		

#### J) Commitments and Contingencies:

There are no Commitments and Contingencies as at 31-03-19 for the company.

### K) Statutory Reserve:

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the net profit after tax of the Company every year. Accordingly, the Company has transferred an amount of Rs.910.55 Lakhs (Previous Year – Rs. 590.00 Lakhs), out of the net profit after tax for the year ended 31 March 2019 to Statutory Reserve.

### L) There is no Expenditure incurred in Foreign Currency

### M) There is no amount to be reflected under payable to Investor Protection Fund.

### N) Previous year's figures have been regrouped and rearranged wherever necessary to conform to current year's classification.

### Employee benefit -Actuary Valuation Report

Disclosure Tables		
<b>Company: REPCO MICRO FINANCE LIMITED,</b>	12 Months	12 Months
<b>Valuation Date: 31/3/2019</b>		
<b>(Earlier Valuation considered: As on 31/3/2018)</b>	F.Yr. Ending	F.Yr. Ending
	31-Mar-2019	31-Mar-2018
Changes in the present value of obligation in the inter-valuation period	In Rupees	In Rupees
Liability as at the beginning of the period	5,524,231	0
Add Interest Cost:	524,805	0
Add Current Service Cost:	1,511,894	1,004,747
Less Benefits Paid:	(38,308)	0
Add Past Service Cost	0	0
Add Settlement Cost	0	0
Add Curtailment Cost	0	0
Actuarial gain / loss	(522,571)	4,519,484
Liability as at the end of the period	7,000,051	5,524,231
Changes in the Plan Assets in the inter-valuation Period	Not Applicable	Not Applicable
Value of Assets as at the beginning of the Period:	1,844,569	1,807,918
Add Adjustments to the Opening Balance:	3,956,175	0
Add <i>Expected Return on Assets:</i>	571,491	0
Add <i>Contributions made:</i>	2,565,153	0
Less <i>Benefits Paid out of the Assets:</i>	(38,308)	0
Actuarial gain / (loss) on Plan Assets:	(108,767)	36,651
Value of Assets as at the end of the period:	8,790,313	1,844,569



Recognition of Actuarial gain / loss as on accounting date	In Rupees	In Rupees
Actuarial gain/(loss) in inter-valuation Period: -- Obligation:	<b>522,571</b>	(4,519,484)
Actuarial (gain)/loss in inter-valuation Period: -- Plan Assets:	(108,767)	36,651
Actuarial gain/loss recognized in inter-valuation Period:	<b>413,804</b>	(4,482,833)
Unrecognized Actuarial Gain / Loss	<b>0</b>	0

The Amounts to be Recognized in the Balance Sheet	In Rupees	In Rupees
Present value of obligation on the accounting date:	(7,000,051)	(5,524,231)
Fair Value of Plan Assets on the accounting date:	<b>8,790,313</b>	1,844,569
Unrecognized Actuarial (gain) / loss	<b>0</b>	0
Net Asset / (liability) recognised in Balance Sheet	<b>1,790,262</b>	(3,679,662)
Unrecognized Liability	<b>0</b>	0

Expense to be recognized in P/L a/c	In Rupees	In Rupees
Interest Cost	<b>524,805</b>	0
Current Service Cost	<b>1,511,894</b>	1,004,747
Past Service Cost	<b>0</b>	0
Curtailement Cost (Credit)	0	0
Settlement Cost (Credit)	<b>0</b>	0
Expected Return on Plan Assets	<b>(571,491)</b>	0
Net actuarial (gain)/loss recognized	<b>(413,804)</b>	4,482,833
Expense to be recognized in P/L a/c	<b>1,051,404</b>	5,487,580

Experience Related Adjustments	In Rupees	In Rupees
Liability Side	522,571	(4,519,484)
Asset Side	(108,767)	36,651
Compliance with Schedule III of Companies Act 2013	In Rupees	In Rupees
Value of Current Year Obligation:	370,966	286,457
Present Value of Non-current Year Obligation:	6,629,085	5,524,231
Expected Additions to the Asset in the Current Year:	0	0
Net Current Year Obligation:	(370,966)	(286,457)

### Accrued Earned Leave Liability

#### Disclosure Tables

Company: REPCO MICRO FINANCE LIMITED,	12 Months	12 Months
Valuation Date: 31/3/2019		
<b>(Earlier Valuation considered: As on 31/3/2018)</b>	F.Yr. Ending	F.Yr. Ending
	31-Mar-2019	31-Mar-2018
<b>Changes in the present value of obligation in the inter-valuation period</b>	<b>In Rupees</b>	<b>In Rupees</b>
Liability as at the beginning of the period	2,304,385	135,260,733
Add Interest Cost:	166,661	8,685,278
Add Current Service Cost:	731,713	63,685,485
Less Benefits Paid:	(30,160)	(13,940,144)
Add Past Service Cost	0	0
Add Settlement Cost	0	0
Add Curtailment Cost	0	0
Actuarial (gain) loss	(176,058)	(14,963,168)
Liability as at the end of the period	2,996,541	178,728,184

Changes in the Plan Assets in the inter-valuation Period	Not Applicable	Not Applicable
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Recognition of Actuarial gain / loss as on accounting date	In Rupees	In Rupees
Actuarial gain/(loss) in inter-valuation Period: -- Obligation:	176,058	14,963,168
Actuarial (gain)/loss in inter-valuation Period: -- Plan Assets:	0	(8,444,800)
Actuarial gain/loss recognized in inter-valuation Period:	176,058	6,518,368
Unrecognized Actuarial Gain / Loss	0	0

The Amounts to be Recognized in the Balance Sheet	In Rupees	In Rupees
Present value of obligation on the accounting date:	(2,996,541)	(178,728,184)
Fair Value of Plan Assets on the accounting date:	0	118,512,986
Unrecognized Actuarial (gain) loss	0	0
Net Asset / (liability) recognised in Balance Sheet	(2,996,541)	(60,215,198)
Funded Status	(2,996,541)	(60,215,198)
Unrecognized Liability	0	0

Expense to be recognized in P&L A/c	In Rupees	In Rupees
Interest Cost	166,661	8,685,278
Current Service Cost	731,713	63,685,485
Past Service Cost	0	0
Curtailment Cost (Credit)	0	0
Settlement Cost (Credit)	0	0
Expected Return on Plan Assets	0	(8,444,800)
Net actuarial (gain)/loss recognized	(176,058)	(6,518,368)
<b>Expense to be recognized in P/L a/c</b>	<b>722,316</b>	<b>57,407,595</b>



Reconciliation	In Rupees	In Rupees
Net Liability as at the beginning of the accounting period:	<b>2,304,385</b>	30,356,387
Expenses recognized in P/L a/c	<b>722,316</b>	57,407,595
less Adjustments to last valuation Closing Balance:	<b>0</b>	(13,608,640)
less Benefits paid directly by the Company	<b>(30,160)</b>	(13,940,144)
less Contributions made to the fund	<b>0</b>	0
Liability recognized in the Balance Sheet as on the accounting date:	<b>2,996,541</b>	60,215,198

Actual Return on Plan Assets	Not Applicable	Not Applicable
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Principal Actuarial Assumptions		
<i>Interest (Discount) Rate (Liabilities)</i>	7.60%	7.28%
Interest Rate (Rate of Return on Assets)	0.00%	8.05%
Salary escalation Rate (per annum)	<b>5.00%</b>	10.00%
Resignations Rate (per annum)	<b>5.00%</b>	20.00%
Mortality	<b>Ind. (2006-8)</b>	Ind. (2006-8)

Experience Related Adjustments	In Rupees	In Rupees
Liability Side	176,058	14,963,168
Asset Side	0	(8,444,800)

Compliance with Schedule III of Companies Act 2013	In Rupees	In Rupees
Value of Current Year Obligation:	209,490	17,085,403
Present Value of Non-current Year Obligation:	2,787,051	161,642,781
Expected Additions to the Asset in the Current Year:	0	0
Net Current Year Obligation:	(209,490)	(17,085,403)

For P.B Vijayaraghavan & Co  
Chartered Accountants  
Firm Regn No:004721S

**P.B.Santhana Krishnan**  
Partner  
Membership No.020309

**N.Balasubramanian**  
Director  
DIN No:07832970

**R.S.Isabella**  
Managing Director  
DIN No:06871120

Place: Chennai  
Date:15.05.2019

**V.Balasubramanian**  
Chief Financial Officer  
Membership No:029407

**Lakshmi Raghupathy**  
Company Secretary  
MembershipNo:38072

## NOTICE OF ANNUAL GENERAL MEETING

SHORTER NOTICE is hereby given that 12<sup>th</sup> Annual General Meeting of Repco Micro Finance Limited will be held at “No. 634, 2<sup>nd</sup> Floor, Karumuttu Centre, Anna Salai, Nandanam, Chennai-600035 on September 30, 2019 at 10.30 A.M to transact the following business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the company for the Financial Year ended 31<sup>st</sup> March 2019, the Reports of Directors and Auditor thereon.
2. To declare dividend on the equity shares of the Company for the financial year ended 31<sup>st</sup> March, 2019.
3. To appoint a director in place of Sri. P.Mahalingam, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

4. Appointment of Sri. Yashpal Gupta as Nominee Director of the Company.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Sections 152 and 161 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof for the time being in force) and the relevant provisions of Articles of Association, Sri. Yashpal Gupta having Director Identification Number 00033484 and who was appointed as an Additional Director in the capacity of Nominee Director of the company representing Repco Home Finance Limited by the board of Directors on March 20, 2019 be and is hereby appointed as a Nominee Director and he shall not be subject to retirement by rotation and shall be entitled sitting fee for attending board meeting and committee meeting as decided by the board of directors of the company from time to time and which shall be paid directly to RHFL.”

“RESOLVED FURTHER THAT Sri. N.Balasubramanian, Whole Time Director of the Company be and is hereby authorised to sign relevant documents, letters etc. and to file relevant documents and forms, if any, with the Ministry of Corporate Affairs and Registrar of Companies, Chennai, Tamil Nadu”.



**5. To ratify the incentive given to Whole-time Director for the half year ended March 31, 2018**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“The Act”) and Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), the incentive of Rs. 1,97,000/- net of tax, as approved by the Board of Directors in their Meeting held on May 22, 2018 and as set out in the Statement annexed to the Notice, and paid to Sri. N.Balasubramanian, Whole Time Director of the Company for the half year ended March 31, 2018, be and is hereby ratified.”

**6. To ratify the incentive given to Whole-time Director for the half year ended September 30, 2018**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“The Act”) and Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), the incentive of Rs. 90,000/- net of tax, as approved by the Board of Directors in their Meeting held on December 03, 2018 and as set out in the Statement annexed to the Notice, and paid to Sri. N.Balasubramanian, Whole Time Director of the Company for the half year ended September 30, 2018, be and is hereby ratified.”

By order of the Board

**For Repco Micro Finance Limited**

Date: 21/09/2019

- SD -

Place: Chennai.

Company Secretary

## NOTES:-

a) An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the Meeting under Item No. 4,5 and 6 is annexed hereto.

b) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member. The proxies form should, however, be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.

c) The dividend, after declaration, will be paid to those members of the Company, whose names stand on the register of members as on Sep 07, 2019.

d) Corporate Members intending to send their authorized representative (s) are requested to send a duly certified copy of the board resolution authorizing their representative (s) to attend the Annual General Meeting, pursuant to provisions of Section 113 of the Companies Act, 2013, along with their respective specimen signature authorizing the representative on their behalf at the meeting.

e) Register of Directors and Key Managerial Personnel and their shareholding maintained under Sec 170 of the Companies Act 2013 (“the Act”) and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the member at the Annual General Meeting.

f) The relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company during normal business hours on all working days up to the date of the AGM.

g) Members are requested to register the changes, from time to time, in their email address with the company to enable the company to service various notice (s), reports, documents etc. in the electronic mode.

h) Members are requested to bring their attendance slips duly filled together with their copies of Annual report to the meeting.

i) AGM notice will also be available on the website of the Company.

j) Route map for venue of the Meeting is enclosed.



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

### Item No. 4.

The Board of Directors of the Company approved the appointment of Sri. Yashpal Gupta having Director Identification Number 00033484 as an Additional Director of the Company (category being Nominee) with effect from March 20, 2019. As per Articles of Association of the Company and subject to the provisions of the Companies Act, 2013, he continues to hold office as an Additional Director of the Company until the conclusion of the ensuing Annual General Meeting.

The NRC at its Meeting held on March 20, 2019 and which had received the request letter from Repco Home Finance Limited to nominate Sri. Yashpal Gupta on the Board of RMFL had determined that he is a fit and proper person to be appointed as a Director of the Company, as per the norms prescribed by the Reserve Bank of India (“RBI”). Necessary declaration as required under the provisions of Companies Act, 2013 9(6) of the Act was obtained.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 4 of the Notice for the appointment of Sri. Yashpal Gupta as Nominee Director, not liable to retire by rotation.

Except Sri. Yashpal Gupta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.4.

### **Brief Profile of Sri. Yashpal Gupta:**

Sri. Yashpal Gupta, aged 51, has previously worked for 25 years with IDBI Bank and has held several positions. He was the member of various committees of RBI and IBA earlier. Presently he is the Managing Director and CEO of Repco Home Finance Limited.

Sri. Yashpal Gupta shall be entitled to receive sitting fees for attending Board and Committee meetings as decided by the board of directors of the Company from time to time and which shall be paid directly to RHFL.

### Item No.5

Pursuant to section 196, 197, 198, 203 read with schedule V of the Companies Act, 2013 Sri N. Balasubramnian was appointed by board of directors as Whole Time Director in their meeting held on 30<sup>th</sup> May, 2017 for a period of three years on a remuneration not exceeding Rs.2,10,000.00 per month to take care day to day affairs of the Company which was subsequently approved by the members of the Company. As per the approval of members, the entire remuneration of Whole Time Director is being paid to Repco Bank as re-imbusement within the cap fixed. This remuneration is exclusive of any performance incentive.

Since his appointment, the company had shown tremendous growth in business. The parameters showing the growth of the Company during the period 1.06.2017 to 31.03.2018 are summarized below:

(Amount in  
Crore)

Particulars	Sep, 2017	Dec, 2017	March, 2018
Sanctions	319.05	499.97	725.30
Disbursement	309.57	486.01	719.83
Loan Book	560.39	610.04	700.83
Net Profit	16.34	23.25	29.04
Cost to Income Ratio	19.53	20.95	21.63
Branch Network	75	76	80
ROE (%)	33.20	47.26	59
ROA (%)	17.48	17.04	15.38

Particulars	2016-17	2017-18
Loan Disbursement	496.87	719.83
Loan Sanctions	500.25	725.30
Loan Outstanding	472.83	700.85
No of linkage	229941	306582
No of Group formed	8825	15730

Therefore the board considered the proposal placed by the Nomination and Remuneration Committee for the payment of performance incentive of Rs.1,97,000/- net of tax to Sri N. Balasubramanian, Whole Time Director directly or re-imburse to Repco bank for the period from appointment to 31<sup>st</sup> March, 2018. As this payment of incentive was subject to approval of members, Members may ratify the incentive payment made to Sri N. Balasubramanian. Further this ought to have been placed before the members in the next general meeting, which ideally was the previous annual general meeting held. As this was not placed before them for ratification earlier, this agenda is placed now.

The board therefore recommends the resolution for your approval.

Except Sri. N. Balasubramanian, none of the directors and Key Managerial Personnel of the Company and their relatives are concerned in the said resolution.



### Item No.6

The Board in their Meeting held on December 03, 2018 considered the proposal of Nomination and Remuneration committee for the payment of performance incentive of Rs.90,000/- net of tax to Sri N. Balasubramanian, Whole Time Director, for the period 01.04.2018 to 30.09.2018 for his contribution to the tremendous growth in business. The parameters showing the growth of the company during the period April to September 2018 compared with corresponding previous year are summarized below:

Particulars	Half yearly Ended September , 2017	31st March , 2018	Half yearly Ended September , 2018
Sanctions	319.05	725.3	406.07
Disbursement	309.57	719.83	402.22
Loan Book	560.39	700.83	771.16
Net Profit	16.34	29.04	24.28
Cost to Income Ratio	19.53	21.63	23.7
Branch Network	75	80	80
ROE (%)	33.2	59	35.17
CRAR (%)	17.48	15.38	19.75

Particulars	Sep, 2017	Sep, 2018
Loan Outstanding	560.69	771.16
No of linkage	252460	349438
No of Group formed	6631	9380

As this payment of incentive was subject to approval of members, Members may ratify the incentive payment made to Sri N. Balasubramanian.

The board therefore recommends the resolution for your approval.

Except Sri. N. Balasubramanian, none of the directors and Key Managerial Personnel of the Company and their relatives are concerned in the said resolution.

By order of the Board  
For, **Repro Micro Finance Limited**

Date: 21/09/2019

- SD -

Place: Chennai

Company Secretary



## REPCO MICRO FINANCE LIMITED

CIN - U74900TN2007PLCO64126

Registered Office: Repco Tower, No. 33, North Usman Road, T. Nagar,  
Chennai 600 017

Ph: (044) - 24310212 .E-mail :cs@repcomicrofin.co.in,

Website: www.repcomicrofin.co.in

### ATTENDANCE SLIP: 12<sup>th</sup> ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the 12th Annual General Meeting of the Company held on Monday, September 30, 2019 at 10.30 A.M, at Corporate Office: No 634, 2<sup>nd</sup> Floor, Karumuttu Centre, Anna Salai, Chennai- 600 017.

Name of the Shareholder :

Name of the Proxy or Company Representative :

Signature of Shareholder(s) .....

Proxy or Company's Representative

Notes:

1. A Proxy attending on behalf of Shareholder(s) should write the name of the Shareholder(s) from whom he holds Proxy.

2. Members are requested to bring their copy of the Annual Report to the Meeting as additional Copies of the same will not be made available at the Meeting.

Reg. Folio No.....

No. of shares held.....





## PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

### TWELFTH ANNUAL GENERAL MEETING

Name of the member(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

—

Email id: \_\_\_\_\_

—

Folio No.: \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him/her

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him/her

As my / our proxy to attend and vote (on a poll) for me / us and on my/ our behalf at the Twelfth Annual General Meeting of the Company, to be held on Monday, September 30, 2019 at 10.30 A.M. at No. 634, 2<sup>nd</sup> Floor Karumuttu Centre, Anna Salai, Chennai and any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description of Resolution		
		For	Against
Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statement of the company for the Financial Year ended 31 <sup>st</sup> March, 2019, the Reports of Directors and Auditor's thereon.		
2	To declare dividend on Equity Shares for the FY 2018-19		
3	To appoint a Director in the place of Sri.P. Mahalingam, who retires by rotation and eligible, offer himself for re-appointment.		
4.	Appointment of Sri. Yashpal Gupta as Nominee Director		
5.	Ratification of incentive given to Whole-time Director for the half year ended Mar, 31 2018		
6.	Ratification of incentive given to Whole-time Director for the half year ended Sep, 30 2018		

Signed this..... Day of ....., 2019

Signature of Shareholder: \_\_\_\_\_ Affix Revenue Stamp

Signature of First Proxy holder

Signature of Second Proxy holder

**NOTE:**

1. THIS FORM OF PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.



## ROUTE MAP OF THE VENUE OF THE 12<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY

### AGM Venue:

No. 634, 2<sup>nd</sup> Floor,  
Karumuttu Centre, Anna Salai,  
Nandanam, Chennai-600035



## BRANCH OPENING AT A GLANCE

### PUDUCHERRY BRANCH – (03.11.2018)



### THIRUKOVILUR BRANCH - (11.01.2019)



**DHARAPURAM BRANCH- (19.02.2019)**



**ARANTHANGI BRANCH - (02.03.2019)**



