

Notes on Financial Statements

for the year ended 31st March, 2019

Note 1 - Significant Accounting Policies

(I) Accounting Policies

a. Interest on Vehicle Loans

Income / Interest from vehicle loan is accounted for on an accrual basis and is recognized so as to produce a constant periodic return on the amount financed.

Interest on fixed deposits with Bank on cash basis

b. Other Income

In respect of other heads of income the Company follows the practice of accounting for such income on accrual basis except for interest income on delayed payment charges which are accounted on the basis of the certainty of collection and /or receipt basis.

c. Method of Depreciation

The company provides depreciation on Straight Line Method.

d. Expenses

Expenditure is accounted for an accrual basis.

e. Fixed Assets

The fixed assets have been valued at cost less Depreciation.

f. Closing Stock

Loan stock of vehicles is valued at cost less installment accrued and due.

In the opinion of the management, 2/3rd of the loan stock is classified as current & 1/3rd is classified as non-current.

(II) Prudential Norms

In terms of guidelines issued by Reserve Bank of India to Non Banking Financial Companies on prudential norms for income recognition, assets classification, provisioning for Bad Debts etc., the following additional information is given. No new provisions for non-performing assets are required in current year.

(III) Exceptional item represents Contingent Provision against standard Assets at 0.25% of standard assets made as per RBI Circular No. DNBS. PD. CC. No. 207/03.02.002/2010-11 dated 17 January ,2011

(IV) The Company is having many bank accounts in various branches of the Company wherein realization from customers and payments are made from time to time. The Bank reconciliation of few bank accounts are under progress since it is carried out manually. However, the Net difference in Bank Balance is unascertainable. After due reconciliation necessary effect shall be given to the respective bank accounts in due course

(V) In the opinion of the Board of Directors the current assets, loans and advances have a value of realization in the ordinary course of business at least equal to the amount of which these are stated in the Balance Sheet.

(VI) Managerial Remuneration under Companies Act 2013 for FY 18-19 is Rs. 6,00,000 (P.Y: NIL).

(VII) Other information required by relating to exports, imports and earning in foreign currency, remittance in foreign currency transaction are not applicable.

(VIII) The company considers its financing business as single segment hence Accounting Standard 17 on segment reporting issued by The Institute of Chartered Accountants of India is not applicable to the company.

(IX) Previous year's figures have been regrouped, recasted and rearranged wherever necessary.

(X) Related parties disclosures under AS 18:

a) Particulars of Party where control exists/Relative of parties where control exists:

Name of the Related Party	Nature of Relationship
(i) M/s Shalibhadra Capital Market Ltd.	Party where control exists
(ii) M/s Financial Analysts And Investment Rating Limited	Party where control exists

(iii) Mr. Amit M.Doshi	Relative Party where control exist
(iv) Mr. Amit M.Doshi HUF	Relative Party where control exist
(v) Mrs.Heena A.Doshi	Relative Party where control exist
(vi) Mrs.Kala M.Doshi	Relative Party where control exist
(vii) Mr. Minesh M.Doshi HUF	Relative Party where control exist
(viii) Mr. Minesh M. Doshi	Relative Party where control exist
(ix) Mr. Mukund H.Doshi	Relative Party where control exist
(x) Mr. Mukund H .Doshi HUF	Relative Party where control exist
(xi) Mrs. Sheetal M Doshi	Relative Party where control exist
(xii) Mrs. Darshana V Patani	Relative Party where control exist
(xiii) Mr. Kantilal D Patani	Relative Party where control exist
(xiv) Mr. Palak V Patani	Relative Party where control exist
(xv) Mr. Vatsal M Doshi	Relative Party where control exist
(xvi) Ms. Nishita A Doshi	Relative Party where control exist

b) Key Management Personnel:

Name of the Related Party	Nature of Relationship
(i) Mr. Minesh M.Doshi	Managing Director
(ii) Mr. Palak V Patani	Chief Financial Officer

c) Transactions with Party where control exists/Relative of parties where control exists:

Particulars	31.03.2019	31.03.2018
	Relative of Party where control Exists	Relative of Party where control Exists
(i) Loans taken during the year		
Balance at year end	14,40,38,363	14,00,58,680
(ii) Interest	1,53,52,847	1,42,82,331
	Party where control Exists	Party where control Exists
(i) Due to Related parties		
Balance at year end	9,72,81,062	10,43,01,000
(ii) Interest	1,38,85,729	1,12,91,549

d) Details of Transaction relating to persons referred to in item (B) above:

Particulars	31.03.2019	31.03.2018
	Value of Transaction	Value of Transaction
(i) Remuneration to Directors	6,00,000	NIL

(XI) Earnings Per Share Under AS 20:

Particulars	31 Mar 2019	31 Mar 2018
Profit after tax	6,39,87,173	5,66,75,604
Less: Preference dividend, if any	-	-
Adjusted profit after tax	6,39,87,173	5,66,75,604
Weighted average number of equity shares outstanding	50,03,100	50,03,100
Earnings Per Share	12.79	11.33
Face Value Per Share	10	10

(XII) Income Tax is computed in accordance with Accounting standard 22-Accounting for taxes on Income, notified by companies (Accounting Standards) Rules, 2006. Tax expenses are accounted in the same period to which the revenue and expenses relate.

(XIII) Deferred Tax, other than unabsorbed depreciation and brought forward losses, is recognized only if there is reasonable certainty that will be realized in future and are reviewed for their appropriateness

Notes on Financial Statements

for the year ended 31st March, 2019

(Amounts in INR)

Note 2 - Share Capital	As at 31 Mar 2019	As at 31 Mar 2018
Authorized:		
68,00,000 Equity shares of Rs 10 each	6,80,00,000	6,80,00,000
2,00,000 10% Preference Shares of Rs.10 each (Redeemable after two years from date of issue at the option of the company by giving a notice of not less than 48 hours)	20,00,000	20,00,000
Issued, subscribed and paid up:		
5003100 Equity shares (Previous year 5003100 Equity Shares) of Rs 10 each, fully paid.	5,00,31,000	5,00,31,000
Total share capital	5,00,31,000	5,00,31,000
Issued, subscribed and paid up share capital includes:		
a. Equity shareholders holding more than 5% of the equity shares alongwith the number of equity shares held is given below:		
As at	31 Mar 2019	31 Mar 2018
Sheetal Doshi (792172 Equity Shares as at 31.03.2019 and P.Y. 992172)	0.1583	0.1983
Minesh Doshi (672710 Equity Shares as at 31.03.2019 and P.Y. 579200)	0.1345	0.1158
b. Reconciliation of the number of shares at the beginning of the year and at the end of the year		
Opening balance	5,00,31,000	5,00,31,000
Add: Share issued during the year	-	-
Less: Bonus issues / redemption / buyback of shares during the year	-	-
Closing balance	5,00,31,000	5,00,31,000
Note 3 - Reserves and surplus		
	As at 31 Mar 2019	As at 31 Mar 2018
General Reserve		
Opening Balance	4,55,45,663	3,85,45,663
Add: Transefered from Profit & Loss Account	90,00,000	70,00,000
	5,45,45,663	4,55,45,663
Special Reserve		
(As per RBI [Ammendment] Act, 1997)		
Opening Balance	6,94,05,000	5,79,05,000
Add: Transefered from Profit & Loss Account	1,30,00,000	1,15,00,000
Profit and Loss Account		
Balance at the beginning	14,32,37,367	10,50,61,763
Add: Net profit / (loss) for the period	5,65,60,335	5,66,75,604
Less: Appropriations / adjustments		
Transfer to General Reserve	90,00,000	70,00,000
Transfer to Special Reserve	1,30,00,000	1,15,00,000
Equity Dividend	-	-
Disribution Tax thereon	-	-
Balance at the end	17,77,97,702	14,32,37,367
Total Reserves and Suplus	31,47,48,365	25,81,88,030

(Amounts in INR)

Note 4 - Long term borrowings	As at 31 Mar 2019	As at 31 Mar 2018
Secured		
Term loan from banks (Refer Point No.1)	9,78,15,850	4,28,48,551
Cash Credit from Bank (Refer Point No.2)	22,57,91,777	19,39,50,749
Term loan from others	14,96,09,256	11,37,95,493
Unsecured		
Loans from Bodies Corporates	14,40,38,363	14,00,58,680
Loans from Directors & Relatives	9,72,81,062	10,43,01,000
Total long term borrowings	71,45,36,308	59,49,54,473
Points:		
1. Term loan Repayable within one year Rs.146,901,177 P.Y.Rs.110,613,773		
2. Secured by first charge on loan stock & equitable mortgage of immoveable properties & personal guarantee of two directors (Total limit Rs.21.50 Crore (P.Y.21.50 Crore)		

Note 5 - Other long term liabilities	As at 31 Mar 2019	As at 31 Mar 2018
Security Deposits	1,71,54,001	1,68,29,583
Total other long term liabilities	1,71,54,001	1,68,29,583

Note 6 - Deferred tax liability (net)	As at 31 Mar 2019	As at 31 Mar 2018
Deferred tax liability on depreciation	21,42,434	18,73,434
Total deferred tax liability	21,42,434	18,73,434

Note 7 - Trade payables	As at 31 Mar 2019	As at 31 Mar 2018
Trade payables	8,92,892	5,65,543
Total trade payables	8,92,892	5,65,543

(Amount in INR)

Note 8 - Short term provisions	As at 31 Mar 2019	As at 31 Mar 2018
Contingent Provision against Standard Assets	1,22,95,000	96,77,000
(As per RBI Circular No.DBNS.PD.CC.No.207/03.02.002/2010-11 17 January 2011)		
Provision for taxes	2,51,00,000	2,23,00,000
Distribution tax on dividend	-	(2,00,902)
Total short term provisions	3,73,95,000	3,17,76,098

Note 9 - Other current liabilities	As at 31 Mar 2019	As at 31 Mar 2018
Bank Balance(Due to cheques overdrawn)	-	-
Security Deposits	85,77,000	84,14,792
TDS Payable	-	-
GST Tax payable	-	-
CGST Tax payable	-	-
SGST Tax payable	-	-
ESIC Employess	-	-
EPF Employees	-	-
Other liabilities	35,38,103	6,94,288
Total other current liabilities	1,21,15,103	91,09,080

Note 10 - Investment	As at 31 Mar 2019	As at 31 Mar 2018
Investment in 476943 units of SBI Corporate Bond Fund Regular Plan - Growth (Market Value Rs.1,25,00,000/- P.Y.Rs.1,25,00,000/-)	1,25,00,000	1,25,00,000
Total investment	1,25,00,000	1,25,00,000
Points		
1. SBI is having lien on above units against their term loan & CC facility		

Note 12 - Long term loans and advances	As at 31 Mar 2019	As at 31 Mar 2018
Unsecured, considered good:		
Loans to employees	21,44,383	20,92,956
Advances recoverable in cash or kind or for value to be received	32,19,597	62,55,731
Total long term loans and advances	53,63,980	83,48,687

Note 13 - Other non-current assets	As at 31 Mar 2019	As at 31 Mar 2018
Loan Stock	36,14,22,510	29,69,50,930
Less NPA Provisions	30,37,894	22,36,659
Total other non-current assets	35,83,84,616	29,47,14,271

(Amounts in INR)

Note 14 - Inventories	As at 31 Mar 2019	As at 31 Mar 2018
Loan Stock	72,28,45,020	59,39,01,860
Total Inventories	72,28,45,020	59,39,01,860

Note 15 - Sundry Debtors (Less than 6 months)	As at 31 Mar 2019	As at 31 Mar 2018
Sundry Debtors	59,343	5,152
Total Sundry Debtors (Less than 6 months)	59,343	5,152

Note 16 - Cash and cash equivalents	As at 31 Mar 2019	As at 31 Mar 2018
Cash on hand	19,41,227	6,79,084
Current Accounts	1,74,73,325	2,38,80,021
Fixed deposits maturing within 12 months	71,52,704	73,90,369
Total cash and cash equivalents	2,65,67,256	3,19,49,474

Point 1:

The fixed deposits are placed with the bank as a margin money for availing the working capital facilities from the bank.

Note 17 - Other current assets	As at 31 Mar 2019	As at 31 Mar 2018
Loans to employees	21,44,383	20,92,956
Total other current assets	21,44,383	20,92,956

Note 18 - Revenue from operations	Year ending 31 Mar 2019	Year ending 31 Mar 2018
Income from assets financing	22,18,10,311	19,30,78,558
Total revenue from operations	22,18,10,311	19,30,78,558

Note 19 - Other income	Year ending 31 Mar 2019	Year ending 31 Mar 2018
Interest on Fixed Deposit with bank	4,11,111	8,83,850
Others	3,586	1,225
Total other income	4,14,697	8,85,075

(Amounts in INR)

Note 20 - Employees benefit expenses	Year ending 31 Mar 2019	Year ending 31 Mar 2018
Salary, Provident fund etc.	1,98,76,606	1,74,33,177
Directors Remuneration	6,00,000	-
Staff welfare expenses	3,58,398	8,46,474
Gratuity	18,000	32,118
Total employees benefits expenses	2,08,53,004	1,83,11,769

Note 21 - Finance costs	Year ending 31 Mar 2019	Year ending 31 Mar 2018
Interest paid to Bank	2,84,60,339	2,88,15,872
Interest on other Loans	5,08,10,234	3,61,94,266
Total finance costs	7,92,70,573	6,50,10,138

Note 22 - Provisions & Write Off	Year ending 31 Mar 2019	Year ending 31 Mar 2018
Bad debts written off	64,04,324	42,38,942
Provision for NPA	8,01,235	6,58,000
Contigent Provision for Standard Assets	26,18,000	21,75,000
Total Provisions & Write Off	98,23,559	70,71,942

Note 23 - Other expenses	Year ending 31 Mar 2019	Year ending 31 Mar 2018
Advertisement & Brokerage Expenses	20,38,249	19,44,323
Audit fees	70,000	50,000
Books & Periodicals	4,33,290	6,00,682
Bank Charges	16,33,921	29,02,533
Conveyance	5,86,677	8,23,983
Filing Fees	2,697	6,766
Listing fees	2,50,000	2,50,000
Membership & subscriptions	79,837	1,71,690
Miscellaneous expenses	5,16,258	6,41,790
Office Expenses	25,77,599	18,52,767
Postage & Telegraph	12,60,123	13,37,178
Printing & Stationary	9,98,228	10,86,529
Professional & other legal charges	36,90,695	49,82,063
Rent	5,47,800	4,31,000
Rates & Taxes	1,58,193	45,737
Repairs & Maintainance	6,31,212	6,66,570
Service Tax, Service charges & other fees	3,36,000	2,82,139
GST tax paid	3,64,093	8,30,762
CGST Tax Paid	9,92,244	4,41,838
SGST Tax paid	9,89,059	4,45,509
Travelling expenses	8,94,021	10,92,024
Telephone Charges, Fax & Internet	13,12,490	12,05,619
Vehicle Expenses	12,66,333	10,53,709
Xerox & Copy Charges	5,41,831	5,10,992
Total other expenses	2,21,70,850	2,36,56,203

Note 11 - Fixed Assets

(Amounts in INR)

Nature of asset	Gross Block				Depreciation				Net Block	
	Opening balance	Additions	Deletions	Closing balance	Opening balance	Additions	Deletions	Closing balance	31 Mar 2019	31 Mar 2018
Premises	2,10,30,882	16,26,250	-	2,26,57,132	18,30,170	3,52,931	-	21,83,101	2,04,74,031	1,92,00,712
Computers	37,62,013	1,58,136	-	39,20,149	31,47,887	3,93,001	-	35,40,888	3,79,261	6,14,126
Office Equipments	-	3,02,128	-	3,02,128	-	4,918	-	4,918	2,97,210	-
Vehicles	8,67,665	-	-	8,67,665	8,67,665	-	-	8,67,665	-	-
Current Year	2,56,60,560	20,86,514	-	2,77,47,074	58,45,722	7,50,850	-	65,96,572	2,11,50,506	1,98,14,842
Previous Year	2,11,62,401	44,98,159	-	2,56,60,560	52,30,945	6,14,777	-	58,45,722	1,98,14,842	1,59,31,460

Note:

a) The addition to fixed assets have been classified in accordance with the classification normally adopted by the Management.

FOR AND ON BEHALF OF THE BOARD

Minesh M Doshi Managing Director
Vatsal M Doshi Director

Place: Mumbai
Date: 30th May, 2019

Palak V Patani
Chief Financial Officer