

# Walker Chandlok & Co LLP

**Walker Chandlok & Co LLP**  
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## Independent Auditor's Report

### To the Members of Thirumeni Finance Private Limited

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of Thirumeni Finance Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, 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.

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

2. 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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.

#### Auditor's Responsibility

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



4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. 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 controls 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.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the financial statements dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);



# Walker Chandiok & Co LLP

- e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 11 May 2016 as per Annexure II expressed unqualified opinion.
- 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 which would impact its financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Walker Chandiok & Co. LLP  
For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Sanjay Banthia.*

per **Sanjay Banthia**  
Partner  
Membership No.: 061068

Bengaluru

11 May 2016



# Walker Chandiok & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Thirumeni Finance Private Limited, on the financial statements for the year ended 31 March 2016

## Annexure I

### Independent Auditor's Report on Companies (Auditor's Report) Order, 2016 ("the Order") under Sub-section 11 of Section 143 of the Companies Act, 2013 ("the Act")

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable properties. Accordingly, the provisions of clause 3(ii)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) The Company has not entered into any transactions in the nature of loans, investments, guarantees and security with parties covered under sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.



# Walker Chandiok & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Thirumeni Finance Private Limited, on the financial statements for the year ended 31 March 2016

- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion, the Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion, the Company is a private limited company in terms of Section 68 of Act. Accordingly, clause 3(xi) of the Order is not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the company has made private placement of equity shares and fully convertible preference shares. In respect of the same, in our opinion, the company has complied with the requirement of section 42 of the Act and the amounts raised have been used for the purposes for which the funds were raised, though idle funds which were not required for immediate utilization have been invested in liquid investments, payable on demand.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the company.

Walker Chandiok & Co. LLP  
For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sanjay Banthia.

per Sanjay Banthia  
Partner

Membership No.: 061068

Bengaluru  
11 May 2016



## Annexure II

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

1. In conjunction with our audit of the financial statements of Thirumeni Finance Private Limited ("the Company") as at and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the company as at that date.

#### Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on control criteria in accordance with the Internal Control Framework defined in Appendix 1 to Standards of Auditing (AS) 315, "Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment" (the framework). 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 the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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.
5. 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 IFCoFR.



# Walker Chandiok & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Thirumeni Finance Private Limited, on the financial statements for the year ended 31 March 2016

## Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the framework.

Walker Chandiok & Co. LLP  
For Walker Chandiok & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sanjay Banthia.  
per Sanjay Banthia  
Partner  
Membership No.: 061068

Bengaluru  
11 May 2016



Financial Statements and Auditors' report

**Thirumeni Finance Private Limited**

31 March 2016



# Thirumoni Finance Private Limited

## Balance Sheet as at 31 March 2016

(All amounts in ₹ lakhs except otherwise stated)

	Notes	As at 31 March 2016	As at 31 March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	4,601	76
Reserves and surplus	4	7,643	2,581
		<b>12,244</b>	<b>2,657</b>
<b>Share application money pending allotment</b>			
		<b>9</b>	<b>-</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	12,234	2,918
Long-term provisions	6	148	46
		<b>12,382</b>	<b>2,964</b>
<b>Current liabilities</b>			
Other current liabilities	7	3,679	1,404
Short-term provisions	6	156	45
		<b>3,835</b>	<b>1,449</b>
		<b>28,470</b>	<b>7,070</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	8A	30	16
Intangible assets	8B	2	2
Intangible assets under development		4	4
Non-current investments	9	35	21
Deferred tax assets (net)	10	83	-
Long-term loans and advances	11	13,914	4,224
Other assets	13	43	128
		<b>14,111</b>	<b>4,395</b>
<b>Current assets</b>			
Current investments	9	-	800
Cash and bank balances	12	10,573	525
Short-term loans and advances	11	3,613	1,289
Other assets	13	173	61
		<b>14,359</b>	<b>2,675</b>
		<b>28,470</b>	<b>7,070</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date.

Walker Chandio & Co. LLP  
For Walker Chandio & Co LLP  
Chartered Accountants

Sanjay Banthia

per Sanjay Banthia  
Partner

Bengaluru  
11 May 2016



For and on behalf of the Board of Directors

Steven Edwin Hardgrave  
Director  
DIN: 02189073

Brajesh Kumar Mishra  
Director  
DIN: 02292429

Hetal Faldu  
Chief Financial Officer

Bengaluru  
11 May 2016



# Thirumeni Finance Private Limited

## Statement of Profit and Loss for the year ended 31 March 2016

(All amounts in ₹ lakhs except otherwise stated)

	Notes	Year ended 31 March 2016	Year ended 31 March 2015
<b>Revenue</b>			
Finance income	14	2,255	723
Other income	15	143	96
<b>Total revenue</b>		<b>2,398</b>	<b>819</b>
<b>Expenses</b>			
Employee benefits expense	16	756	341
Finance costs	17	1,117	258
Depreciation and amortisation expense	18	10	6
Provision for loan assets	19	162	56
Other expenses	20	332	111
<b>Total expenses</b>		<b>2,377</b>	<b>772</b>
<b>Profit before tax</b>		<b>21</b>	<b>47</b>
<b>Tax expense</b>			
Current tax		69	19
[including pertaining to prior years ₹ 3 lakhs (31 March 2015: ₹ Nil)]			
Less : MAT credit entitlements/ (reversal)		6	(6)
Deferred tax (benefit)		(83)	-
[including pertaining to prior years ₹ (26) lakhs (31 March 2015: ₹ Nil)]			
		<b>(8)</b>	<b>13</b>
<b>Profit after tax</b>		<b>29</b>	<b>34</b>
<b>Earning per equity share (Nominal value of ₹ 100 per share)</b>	21		
Basic (₹)		89.77	105.26
Diluted (₹)		29.13	45.84

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

Walker Chandiook & Co. LLP  
For Walker Chandiook & Co LLP  
Chartered Accountants

Sanjay Banthia.

per Sanjay Banthia  
Partner

For and on behalf of the Board of Directors

*Steven Edwin Hardgrave*

Steven Edwin Hardgrave  
Director  
DIN: 02189073

*Brajesh Kumar Mishra*

Brajesh Kumar Mishra  
Director  
DIN: 02292429

Bengaluru  
11 May 2016



*Hetal Faldu*  
Hetal Faldu  
Chief Financial Officer

Bengaluru  
11 May 2016

# Thrumeni Finance Private Limited

## Cash Flow Statement for the year ended 31 March 2016

(All amounts in ₹ lakhs except otherwise stated)

	Year ended 31 March 2016	Year ended 31 March 2015
<b>Cash flow from operating activities</b>		
Profit before tax	21	47
Adjustment for:		
Depreciation and amortisation expenses	10	6
Loss on sale of fixed assets [₹ Nil (31 March 2015 ₹ 13,932)]	-	0
Interest earned on fixed deposits with bank	(16)	(8)
Provision for loan assets	162	56
Bad debts	19	-
Profit on sale of investments in mutual funds	(105)	(68)
<b>Operating profit before working capital changes</b>	<b>91</b>	<b>33</b>
<b>Changes in working capital :</b>		
Increase in provisions	14	5
Increase in other liabilities	412	34
(Increase) in loans and advances	(12,039)	(4,119)
(Increase) in other assets	(94)	(46)
<b>Cash (used in) operations</b>	<b>(11,616)</b>	<b>(4,093)</b>
Direct taxes paid (net of refunds)	(32)	(6)
<b>Net cash flow (used in) operating activities (A)</b>	<b>(11,648)</b>	<b>(4,099)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(24)	(14)
Proceeds from sale of fixed assets [₹ Nil (31 March 2015 ₹ 5,000)]	-	0
Investment in fixed deposits with bank	-	(80)
Interest earned on fixed deposits with bank	2	2
Purchase of investment in mutual funds	(14,589)	(5,135)
Proceeds from sale of investments in mutual funds	15,480	4,393
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>869</b>	<b>(834)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of equity and CCPS share capital	9,800	2,730
Share application money pending allotment	9	-
Expenses towards issuance of equity and CCPS share capital	(242)	(27)
Proceeds from term loans	6,400	3,150
Repayment of term loans	(1,822)	(534)
Proceeds from issuance of NCDs	6,618	-
Repayment of OCDs	(17)	(16)
<b>Net cash flow from financing activities (C)</b>	<b>20,746</b>	<b>5,303</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>9,967</b>	<b>370</b>
Cash and cash equivalents at the beginning of the year	507	137
<b>Cash and cash equivalents at the end of the year</b>	<b>10,474</b>	<b>507</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	5	2
Balances with banks in current and deposit accounts	10,469	505
<b>Total cash and cash equivalents</b>	<b>10,474</b>	<b>507</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

Walker Chandiok & Co. LLP  
For Walker Chandiok & Co LLP  
Chartered Accountants

Sanjay Banthia.

per Sanjay Banthia  
Partner

For and on behalf of the Board of Directors

Steven Edwin Hardgrave  
Director  
DIN: 02189073

Brajesh Kumar Mishra  
Director  
DIN: 02292429

Bengaluru  
11 May 2016

Hetal Faldu  
Chief Financial Officer

Bengaluru  
11 May 2016



## Thirumeni Finance Private Limited

### Summary of significant accounting policies and other explanatory information

#### 1 Background and operation outlook

Thirumeni Finance Private Limited ('the Company') is an Non-Banking Financial Company (NBFC) incorporated in Cochin, Kerala on 12 June 1984. The Company has received Certificate of Registration dated 12 June 1984 from the Reserve Bank of India to carry on the business of Non-Banking Financial Institution without accepting deposits. The Company has subsequently also received revised Certificate of Registration dated 25 March 2013 consequent to a change in the classification of the Company to a 'Loan Company'. The Company provides secured and unsecured loans to educational institutions / trusts.

#### 2 Significant accounting policies

##### a) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (as amended) and the provision of the RBI as applicable to a NBFC.

The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2006 ('principal rules'), vide notification issued by Ministry of Corporate Affairs dated 30 March 2016. The Companies (Accounting Standards) Rules, 2016 is effective on the date of its publication in the official gazette, i.e., 30 March 2016. The Company believes that the Rule 3(2) of the principal rules has not been withdrawn or replaced and accordingly, the Companies (Accounting Standards) Rule, 2016 will apply for the accounting periods commencing on or after 30 March 2016. Accordingly, the changes thereof have not given effect to while preparing these financial statements

The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

##### b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates.

Significant estimates used by the management in the preparation of these financial statements include estimates of the economic useful lives of fixed assets, provision for loan assets, deferred tax and accrual for employee benefits. Any revision to accounting estimates is recognised prospectively in the current and future periods.

##### c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income on loans and deposits is recognised on a the time-proportion basis, taking into account the amount outstanding and rate applicable. However, interest income on non-performing assets ('NPA') is recognised only when it is realised. On a loan account turning into NPA, interest already charged on accrual basis and not collected, is reversed.

Loan processing fees received upfront are considered to be accrued at the time of entering into a binding agreement upon its receipt and are recognised accordingly.

Dividend income is recognised when the right to receive payment is established by the Balance Sheet date except for mutual funds which is recognised on a cash basis.

All other income is recognised on an accrual basis.

##### d) Tangible fixed assets

Tangible fixed assets are stated at their original cost of acquisition less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets concerned is capitalised if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Gain or losses arising from de-recognition of fixed assets are measured as the difference between the net disposed proceeds and the carrying amount and are recognised in the Statement of Profit and Loss when the asset is de-recognised.



## Thrumeni Finance Private Limited

### Summary of significant accounting policies and other explanatory information

#### 2 Significant accounting policies (Cont'd)

##### e) Intangible assets

Intangible assets are stated at the consideration paid for acquisition less accumulated amortisation and impairment losses if any.

##### f) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

##### g) Depreciation

Depreciation is provided on written down value method, calculated on the basis of estimated useful life of the assets using the indicative useful life as prescribed under Schedule II to the Companies Act, 2013. The Company has used the following useful life to provide depreciation on fixed assets:

Asset Category	Useful Life (in years)
Office equipments	5
Furniture and fixtures	10
Computer equipments	3
Software	6

Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

Leasehold improvements are depreciated over the lease term.

##### h) Borrowing costs

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalised as part of the cost of such assets, in accordance with Accounting Standard (AS) 16, Borrowing Costs. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

##### i) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fee and duties. Long-term investments are carried at cost. Provision for diminution in value is made to recognise a decline, other than temporary, in the value of such investments. Current investments are however carried in the financial statements at the lower of cost or fair value determined on individual investment basis. On disposal of investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.



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## Thirumeni Finance Private Limited

### Summary of significant accounting policies and other explanatory information

#### 2 Significant accounting policies (Cont'd)

##### j) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

##### k) Retirement and other employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard (AS) 15, Employee Benefits.

###### *Provident fund*

The Company makes contributions under a defined contribution plan to statutory provident fund in accordance with the Employee' Provident Funds and Miscellaneous Provisions Act, 1952. The Contributions payable are recognised as an expense in the period in which services are rendered by the employees.

###### *Gratuity*

The Company operates a defined benefit plan for its employees, viz., gratuity liability. The cost of providing benefits under gratuity plan is determined on the basis of actuarial valuation at each year-end using projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the Statement of Profit and Loss.

###### *Compensated absences*

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

###### *Other short-term benefits*

Expense in respect of other short-term benefits including performance incentive is recognised on the basis of amount paid or payable for the period for which the employee renders services.

##### l) Tax expense

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of Profit and Loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.



## Thirumeni Finance Private Limited

### Summary of significant accounting policies and other explanatory information

#### 2 Significant accounting policies (Cont'd)

##### m) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

##### n) Provisions

A Provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions, are not discounted to their present value and are determined based on 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.

##### o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

##### p) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank and short-term investments with an original maturity of three months or less.

##### q) Classification and provisioning of loan assets

The loans are classified and provided based on Management's estimates which are more prudent than the classification and provision norms required as per "Non-Systemetically Important Non-Banking Financial (Non-Deposit Accepting and Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, Notification No. DNBS (PD) CC No.044/03.10.119/2015-16, dated 1 July 2015, (as amended) issued by the RBI.

Asset classification	Category	Provision %
Standard	Not overdue or overdue for less than 30 days	0.50%
Substandard	Overdue for 30 days and but less than 90 days	10.00%
Substandard	Overdue for 90 days and but less than 180 days	25.00%
Substandard	Overdue for 180 days and but less than 360 days (non performing assets)	50.00%
Doubtful	Overdue for 360 days and but less than 720 days (non performing assets)	100.00%
Loss	Overdue for 720 days and more (non performing assets)	Write-off

##### r) Transaction cost

Transaction costs, including loan origination costs, are incremental costs that are directly attributable to the acquisition of share capital and financial liability. Transaction costs includes fees paid to advisors and levies by regulatory agencies, including taxes and duties. Transaction costs incurred towards:

i) issuance of share capital and debentures is adjusted from securities premium account, to the extent available in terms of Section 52 of the Companies Act, 2013 and the remainder to the Statement of Profit and Loss.

ii) acquisition of borrowings is amortised over the tenure of borrowing.



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## Thirumeni Finance Private Limited

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

	As at 31 March 2016		As at 31 March 2015	
	Number	Amount	Number	Amount
<b>3 Share capital</b>				
<b>Authorised</b>				
Equity shares of ₹ 100 each	300,000	300	300,000	300
"Series A" Compulsorily Convertible Preference shares of ₹ 100 each	198,500	199	200,000	200
"Series One" Compulsorily Convertible Preference shares of ₹ 100 each	1,500	2	-	-
"Series B" Compulsorily Convertible Preference shares of ₹ 6,388 each	87,000	5,558	-	-
	<b>587,000</b>	<b>6,059</b>	<b>500,000</b>	<b>500</b>
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of ₹ 100 each, fully paid up	42,195	42	28,601	29
Less: Amount Recoverable from Varthana Employee Welfare Trust (face value of 8,598 shares allotted to the trust) - refer note (e) below	8,598	9	-	-
	33,597	33	28,601	29
"Series A" Compulsorily Convertible Preference shares of ₹ 100 each	55,606	55	47,435	47
"Series One" Compulsorily Convertible Preference shares of ₹ 100 each	1,252	1	-	-
"Series B" Compulsorily Convertible Preference shares of ₹ 6,388 each	70,617	4,512	-	-
	<b>161,072</b>	<b>4,601</b>	<b>76,036</b>	<b>76</b>

#### a) Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period

	Number	Amount	Number	Amount
Balance at the beginning of the year	28,601	29	28,591	29
Add: Issued during the year	13,594	13	10	-
Balance at the end of the year	<b>42,195</b>	<b>42</b>	<b>28,601</b>	<b>29</b>

#### b) Reconciliation of Compulsorily Convertible Preference Shares outstanding at the beginning and at the end of the reporting period

i) "Series A"	Number	Amount	Number	Amount
Balance at the beginning of the year	47,435	47	-	-
Add: Issued during the year	8,171	8	47,435	47
Balance at the end of the year	<b>55,606</b>	<b>55</b>	<b>47,435</b>	<b>47</b>
ii) "Series One"	Number	Amount	Number	Amount
Balance at the beginning of the year	-	-	-	-
Add: Issued during the year	1,252	1	-	-
Balance at the end of the year	<b>1,252</b>	<b>1</b>	<b>-</b>	<b>-</b>
iii) "Series B"	Number	Amount	Number	Amount
Balance at the beginning of the year	-	-	-	-
Add: Issued during the year	70,617	4,512	-	-
Balance at the end of the year	<b>70,617</b>	<b>4,512</b>	<b>-</b>	<b>-</b>





## Thirumeni Finance Private Limited

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

#### 3 Share capital (Cont'd)

##### c)(i) Rights and preference of equity shareholders:

The Company has only one class of equity shares with par value of ₹ 100 per share. Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

##### (ii) Rights and preference of "Series A" Compulsorily Convertible Preference Shareholders:

The Company has allotted 55,606 "Series A", 0.0001% compulsory convertible preference shares ("CCPS") of ₹ 100. "Series A" CCPS shall convert, in whole or in part, into equity shares at any time before 19 years from the date of issuance at the option of the shareholder. Further, "Series A" CCPS shall convert into one equity share of the Company at a conversion price determined based on the terms of the shareholders agreement.

"Series A" CCPS allotted will have priority with respect to payment of dividend. In a liquidation event, the holder of the "Series A" CCPS shall have preference over the other shareholders of the Company, including promoters, but will rank pari passu with the holders of "Series B" CCPS and the CCDs for return of capital. The proceeds of a liquidation event shall be distributed such that each holder of "Series A" CCPS, "Series B" CCPS and the CCDs will receive the higher of the (i) amount invested towards subscription of "Series A" CCPS, "Series B" CCPS or the CCDs as the case may be, plus any declared and unpaid dividends; (ii) its pro-rata entitlement on an as if converted basis.

"Series A" CCPS will rank pari passu with "Series B" CCPS and the CCDs while ranking senior to all other instruments that are outstanding and/or may be issued by the Company from time to time. The holders of "Series A" CCPS shall be entitled to attend all meetings of the shareholders of the Company and will be entitled to such voting rights on an as if converted basis.

##### (iii) Rights and preference of "Series One" Compulsorily Convertible Preference Shareholders:

The Company has allotted 1,252 "Series One", 0.0001% compulsory convertible preference shares ("CCPS") of ₹ 100 each during the year. "Series One" CCPS shall convert, in whole or in part, into equity shares at any time before 19 years from the date of issuance at the option of the shareholder. Further, "Series One" CCPS shall convert into one equity share of the Company at a conversion price determined based on the terms of the shareholders agreement.

In a liquidation event, the holder of the "Series One" CCPS shall have preference over the equity shareholders of the Company, including promoters, for return of capital. The proceeds of a liquidation event shall be distributed such that each holder of "Series One" CCPS will receive the higher of the (i) amount invested towards subscription of "Series One" CCPS, plus any declared and unpaid dividends; (ii) its pro-rata entitlement on an as if converted basis.

The holders of "Series One" CCPS shall not be entitled to attend meetings of the shareholders of the Company and will be not be entitled to voting rights.

##### (iv) Rights and preference of "Series B" Compulsorily Convertible Preference Shareholders:

The Company has allotted 70,617 "Series B", 0.0001% compulsory convertible preference shares ("CCPS") of ₹ 6,388 each during the year. "Series B" CCPS shall convert, in whole or in part, into equity shares at any time before 19 years from the date of issuance at the option of the shareholder. Further, "Series B" CCPS shall convert into one equity share of the Company at a conversion price determined based on the terms of the shareholders agreement.

In a liquidation event, the holder of the "Series B" CCPS shall have preference over the other shareholders of the Company, including promoters, but will rank pari passu with the holders of "Series A" CCPS and the CCDs for return of capital. The proceeds of a liquidation event shall be distributed such that each holder of "Series B" CCPS, "Series A" CCPS and the CCDs will received the higher of the (i) amount invested towards subscription of "Series B" CCPS, "Series A" CCPS or the CCDs as the case may be, plus any declared and unpaid dividends; (ii) its pro-rata entitlement on an as if converted basis.

"Series B" CCPS will rank pari passu with "Series A" CCPS and the CCDs while ranking senior to all other instruments that are outstanding and/or may be issued by the Company from time to time. The holders of "Series B" CCPS shall be entitled to attend all meetings of the shareholders of the Company and will be entitled to such voting rights on an as if converted basis.



## Thirumeni Finance Private Limited

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

#### 3 Share capital (Cont'd)

##### d)(i) Details of shareholders holding more than 5% of equity shares in the Company

	Number	% of shareholding	Number	% of shareholding
Dragonfruit Education Services LLP	28,528	68%	24,850	87%
Elevar Equity LLC	3,571	8%	3,571	12%
Varthana Employees Welfare Trust	9,871	23%	-	-

##### (ii) Details of shareholders holding more than 5% of compulsorily convertible preference shares in the Company

	Number	% of shareholding	Number	% of shareholding
<b>"Series A"</b>				
Elevar M-III	13,417	24%	13,417	28%
On Mauritius	18,377	33%	18,377	39%
LGT Venture Philanthropy	15,641	28%	15,641	33%
Pramod Bhasin	3,303	6%	-	-
Vikram Gandhi	3,303	6%	-	-

##### **"Series One"**

	Number	% of shareholding	Number	% of shareholding
Prakash Agarwal	1,252	100%	-	-

##### **"Series B"**

	Number	% of shareholding	Number	% of shareholding
Elevar M III	9,280	13%	-	-
LGT Venture Philanthropy Foundation	9,287	13%	-	-
ON Mauritius	9,290	13%	-	-
Kaizen Private Equity	27,625	39%	-	-
Zephyr Peacock India Fund III	15,135	21%	-	-

e) The Company has given an interest and collateral free loan to an Employee Stock Option Plan Trust ("Varthana Employee Welfare Trust" or "ESOP Trust") to provide financial assistance for purchase of equity shares of the Company under Employee Stock Option Scheme. The Company has established the ESOP Trust to which the stock options issuable (8,598 equity shares) have been transferred. The amount recoverable from the ESOP Trust has been reduced from share capital (to the extent of face value) and from securities premium (to the extent of premium on shares).

f) In the current year, the Company has allotted 4,976 fully paid bonus shares having face value of ₹ 100 per equity share, by capitalization of securities premium. No further bonus shares were issued during five years immediately preceeding 31 March 2016.

The Company has not issued any shares with payment being received in cash nor has there been any buyback of shares during five years immediately preceeding 31 March 2016.

g) For details of shares reserved for issue on conversion of Compulsorily Convertible Debentures (CCDs) and Optionally Convertible Debentures (OCDs), refer note 5 for terms of conversion/redemption respectively.



# Thirumeni Finance Private Limited

## Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

	As at 31 March 2016	As at 31 March 2015
<b>4 Reserves and surplus</b>		
<b>a) Statutory reserve</b>		
Balance at the beginning of the year	7	-
Add: Additions during the year	6	7
Balance at the end of the year	13	7
<b>b) Security Premium</b>		
Balance at the beginning of the year	2,680	24
Add: Premium on equity and CCPS share capital issued during the year	6,201	2,683
Less: Expenses incurred on issuance of equity and CCPS share capital	242	27
Less: Issuance of bonus shares	5	-
Less: Amount recoverable from Varthana Employee Welfare Trust	921	-
Balance at the end of the year	7,713	2,680
<b>c) (Deficit) in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	(106)	(133)
Add: Profit for the year	29	34
Less: Transferred to statutory reserve	(6)	(7)
Balance at the end of the year	(83)	(106)
	7,643	2,581
	As at 31 March 2016	As at 31 March 2015
<b>5 Long-term borrowings</b>		
<b>Debentures</b>		
<b>Unsecured, Compulsorily Convertible Debentures ('CCDs')</b>		
127 Class A Debentures of ₹ 100,000 each (31 March 2015: 127 Debentures of ₹ 100,000 each)	127	127
5,019,878 Class B Debentures of ₹ 10 each (31 March 2015: 5,019,878 of ₹10 each)	502	502
<b>Secured, 6.5% Optionally Convertible Debentures ('OCDs')</b>		
575 Debentures of ₹ 1,000 each (31 March 2015: 2,297 Debentures of ₹1,000 each)	6	23
<b>Secured, Non Convertible Debentures ('NCDs')</b>		
12,732, 14.60% Debentures of ₹ 10,000 each (31 March 2015: ₹ Nil)	1,273	-
399, 13.58% Debentures of ₹ 500,000 each (31 March 2015: ₹ Nil)	1,995	-
670, 13.34% Debentures of ₹ 500,000 each (31 March 2015: ₹ Nil)	3,350	-
(A)	7,253	652
<b>Term loans</b>		
<b>Secured</b>		
Indian rupee loan from bank	874	621
Indian rupee loan from others	7,291	2,966
(B)	8,165	3,587
(A) + (B)	15,418	4,239
<b>Less: Current maturities (refer note 7)</b>		
<b>Secured</b>		
Optionally Convertible Debentures	6	17
Indian rupee loan from bank	394	233
Indian rupee loan from others	2,784	1,071
	3,184	1,321
	12,234	2,918



## Thirumeni Finance Private Limited

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

#### 5 Long-term borrowings (Cont'd)

Sereis	Date of allotment	Maturity date	Coupon rate	Sanction amount	Conversion/ redemption terms	Balance outstanding as at		
						31 March 2016	31 March 2015	Due within one year Beyond one year
CCD - A	Various	Various	Zero	127	Refer note (1) below	127	127	- 127
CCD - B	06 May 2013	Various	Zero	502	Refer note (1) below	502	502	- 502
OCD	Various	20 October 2016	6.50%	50	Refer note (2) below	6	23	6 -
NCD 1	9 July 2015	5 November 2019	14.60%	1,273	Refer note (3) below	1,273	-	- 1,273
NCD 2	15 December 2015	14 December 2018	13.58%	1,995	Refer note (3) below	1,995	-	- 1,995
NCD 4	10 March 2016	10 March 2019	13.34%	3,350	Refer note (3) below	3,350	-	- 3,350
				<b>7,297</b>		<b>7,253</b>	<b>652</b>	<b>6 7,247</b>

#### Note

- The Company has issued Class A zero coupon, unsecured Compulsorily Convertible Debentures ('CCDs') with par value of ₹ 100,000 to domestic investors. Further, the Company has issued Class B CCDs to foreign investors with par value of ₹ 10 each. The CCDs shall convert into equity shares at any time before 19 years from the date of issuance at a conversion price determined based on the terms and conditions of the agreement. The terms attached to Class A and Class B CCDs are similar.  
In a liquidation event, the holder of the CCDs shall have preference over the other shareholders of the Company, including promoters, but will rank pari passu with the holders of "Series A" CCPS and "Series B" CCPS for return of capital. The proceeds of a liquidation event shall be distributed such that each holder of "Series A" CCPS, "Series B" CCPS and CCDs will receive the higher of the (i) amount invested towards subscription of "Series A" CCPS, "Series B" CCPS or CCDs as the case may be, plus any declared and unpaid dividends; (ii) its pro-rata entitlement on an as if converted basis.
- The Company has issued 5,000 secured, 6.5% Optionally Convertible Debentures ('OCDs') during the fiscal 2014 with a maturity period of three years. The debenture subscription agreement ("the agreement") provides for the aforesaid debentures to be redeemed along with the interest accrued in equated monthly instalments during the aforesaid period. These OCDs are secured by hypothecation of loan to educational institutions of the Company.
- The Company has issued 14.60%, secured Non Convertible Debentures ('NCDs') with par value of ₹ 10,000 to foreign investors. Further, the Company has issued 13.58% and 13.34% NCDs with par value of ₹ 500,000 each to foreign investors. These NCDs are secured by hypothecation of the loans to educational institutions of the Company. The NCDs shall be redeemable as per the terms and conditions specified of the agreement which is as below:
  - 14.60% NCD, principal shall be redeemable in two equated instalments on 07 May 2019 and 05 November 2019. The interest is payable semi-annually.
  - 13.58% NCD, principal shall be redeemable in two equated instalments on 15 June 2018 and 14 December 2018. The interest is payable quarterly.
  - 13.35% NCD, principal shall be redeemable in single instalment on 10 March 2019. The interest is payable semi-annually.
- The Company has not defaulted in repayment of debentures.



## Thirumeni Finance Private Limited

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

#### 5 Long-term borrowings (Cont'd)

##### Indian rupee loan from banks

Original maturity of loan	Rate of interest	Sanction limit	Balance outstanding as at		Due within one year		Due beyond one year	
			31 March 2016	31 March 2015	No of installments	Amount	No of installments	Amount
Monthly repayment								
I. With moratorium of 3 months								
30 months	15.00%	200	36	121	5	36	-	-
36 months	14.75%	500	353	500	12	176	12	177
II. With moratorium of 4 months								
36 months	14.00%	500	485	-	12	182	20	303
Total			874	621		394		480

##### Indian rupee loan from financial institutions

Original maturity of loan	Rate of interest	Sanction limit	Balance outstanding as at		Due within one year		Due beyond one year	
			31 March 2016	31 March 2015	No of installments	Amount	No of installments	Amount
Monthly repayment								
I. Without moratorium								
24 months	18.00%	60	-	25	-	-	-	-
30 months	15.95% -18.00%	500	217	410	8-12	178	5	39
36 months	14.00% -15.95%	5,558	4,175	2,192	4-12	1,766	2-23	2,409
48 months	14.50% -15.95%	1,700	1,399	339	12	382	11-30	1,017
Quarterly repayment								
I. Without moratorium								
36 months	14.25%	1,000	1,000	-	4	333	8	667
48 months	14.00%	500	500	-	4	125	12	375
Total			7,291	2,966		2,784		4,507

#### Note

- Term loan from banks and financial institutions are secured by hypothecation of loans to educational institutions of the Company.
- Fixed deposits amounting to ₹ 146 lakhs (31 March 2015: ₹ 144 lakhs) have been pledged towards availing term loans from banks and financial institutions (refer note 12).
- Mutual funds amounting to ₹ 35 lakhs (31 March 2015: ₹ 21 lakhs) have been pledged towards availing term loans from financial institutions (refer note 9).
- The Company has not defaulted in repayment of term loans.



## Thirumeni Finance Private Limited

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

	As at 31 March 2016		As at 31 March 2015	
	Long-term	Short-term	Long-term	Short-term
<b>6 Provisions</b>				
Provisions against standard assets	67	16	17	5
Provisions against substandard assets	69	56	24	5
Provisions against doubtful assets	-	24	-	19
Provision for income tax [net of advance tax ₹ 39 lakhs (2015: ₹ 7 lakhs)]	-	49	-	12
Provision for employee benefits				
Gratuity	12	-	5	-
Compensated absences	-	11	-	4
	<b>148</b>	<b>156</b>	<b>46</b>	<b>45</b>

	As at 31 March 2016		As at 31 March 2015	
<b>7 Other current liabilities</b>				
Current maturities of long-term borrowings (refer note 5)		3,184		1,321
Interest accrued but not due on borrowings		162		22
Bonus payable		75		35
Accrued employee costs		1		3
Statutory liabilities		7		3
TDS payable		43		8
Advance received from educational institutions		9		-
Other payables (refer note below)^		198		12
		<b>3,679</b>		<b>1,404</b>

#### Note

Based on the information available with the Company, there are no outstanding dues in respect of Micro, Small and Medium enterprises at the Balance Sheet date. The above disclosure has been determined to the extent such parties have been identified on the basis of information available to the Company. This has been relied upon by the auditors.

^ includes payable towards transaction costs incurred on issuance of equity shares and CCPS ₹ 171 lakhs (31 March 2015: Nil).



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## Thirumeni Finance Private Limited

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

#### 8 Fixed assets

##### A Tangible assets

	Leasehold Improvements	Office equipments	Furniture and fixtures	Computer equipments	Total
<b>Gross block</b>					
As at 1 April 2014	4	2	2	6	14
Additions	-	2	1	7	10
Disposals	-	-	-	-	-
<b>As at 31 March 2015</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>13</b>	<b>24</b>
Additions	-	5	2	16	23
Disposals	-	-	-	-	-
<b>As at 31 March 2016</b>	<b>4</b>	<b>9</b>	<b>5</b>	<b>29</b>	<b>47</b>
<b>Accumulated depreciation</b>					
As at 1 April 2014	-	-	2	1	3
Charge for the year	1	1	-	3	5
Disposals	-	-	-	-	-
<b>As at 31 March 2015</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>8</b>
Charge for the year	1	1	1	6	9
Disposals	-	-	-	-	-
<b>As at 31 March 2016</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>10</b>	<b>17</b>
<b>Net block</b>					
As at 31 March 2015	3	3	1	9	16
As at 31 March 2016	2	7	2	19	30

##### B Intangible assets

	Softwares	Total
<b>Gross block</b>		
As at 1 April 2014	4	4
Additions	-	-
Disposals	-	-
<b>As at 31 March 2015</b>	<b>4</b>	<b>4</b>
Additions	1	1
Disposals	-	-
<b>As at 31 March 2016</b>	<b>5</b>	<b>5</b>
<b>Accumulated amortisation</b>		
As at 1 April 2014	1	1
Charge for the year	1	1
Disposals	-	-
<b>As at 31 March 2015</b>	<b>2</b>	<b>2</b>
Charge for the year	1	1
Disposals	-	-
<b>As at 31 March 2016</b>	<b>3</b>	<b>3</b>
<b>Net block</b>		
As at 31 March 2015	2	2
As at 31 March 2016	2	2



# Thrumeni Finance Private Limited

## Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

### 9 Investments

In mutual funds (Unquoted and non-trade, at cost)

	As at 31 March 2016		As at 31 March 2015	
	Non-current	Current	Non-current	Current
Reliance interval fund - Growth (refer note 2 below) (44,810 units with NAV of ₹ 12.2896 each)	4	-	4	-
Reliance regular savings fund - Debt (refer note 2 below) (162,643 units with NAV of ₹ 20.6509 each)	31	-	17	-
Reliance liquid fund - Treasury	-	-	-	600
ICICI prudential money market fund - Direct plan - Growth	-	-	-	200
	<b>35</b>	<b>-</b>	<b>21</b>	<b>800</b>

#### Note

- The fair market value of the above investments as at 31 March 2016 ₹ 39 lakhs (31 March 2015: ₹ 823 lakhs).
- Pledged against terms loans

### 10 Deferred tax assets (net)

#### Deferred tax assets

	As at 31 March 2016	As at 31 March 2015
Provision on loan assets	77	-
Provision on gratuity	4	-
Provision on compensated absences	4	-
	<b>85</b>	<b>-</b>

#### Deferred tax liabilities

	As at 31 March 2016	As at 31 March 2015
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	(2)	-
	<b>83</b>	<b>-</b>

#### Note

During the previous year, considering the unutilised carry forward business losses balance, the Company did not recognise deferred tax assets on account of lack of virtual certainty. During the year ended 31 March 2016 and 31 March 2015, the Company earned taxable profits and the balance of unutilised carry forward business losses as at 31 March 2016 is ₹ Nil. Accordingly, based on the projections of future taxable income, the management believes that realisation of deferred tax asset is reasonably certain.

### 11 Loans and advances

Loans to educational institutions

#### Secured

	As at 31 March 2016		As at 31 March 2015	
	Long-term	Short-term	Long-term	Short-term
- considered good	11,098	1,903	2,897	587
- considered doubtful	-	-	-	19

#### Unsecured

	As at 31 March 2016		As at 31 March 2015	
	Long-term	Short-term	Long-term	Short-term
- considered good	2,710	1,566	1,294	646
- considered doubtful	-	24	-	-
	<b>13,808</b>	<b>3,493</b>	<b>4,191</b>	<b>1,252</b>

#### Other loans and advances

	As at 31 March 2016		As at 31 March 2015	
	Long-term	Short-term	Long-term	Short-term
Security deposits	19	-	13	-
Prepaid expenses	87	65	20	19
Advance to employees	-	2	-	-
Minimum Alternate Tax credit	-	-	-	6
Other advances	-	53	-	12
	<b>13,914</b>	<b>3,613</b>	<b>4,224</b>	<b>1,289</b>





# Thrumeni Finance Private Limited

## Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

	As at 31 March 2016	As at 31 March 2015
<b>12 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	1,182	500
- in deposit account (with original maturity upto 3 months) *	9,287	5
Cash on hand	5	2
	<b>10,474</b>	<b>507</b>
<b>Other bank balances</b>		
Deposits with maturity more than 3 months but less than 12 months ^	99	18
Deposits with maturity of more than 12 months ^	40	121
	<b>139</b>	<b>139</b>
Less : Amounts disclosed as Other non-current assets (refer note 13)	(40)	(121)
	<b>10,573</b>	<b>525</b>

\* includes margin money against the borrowings with banks and financial institutions ₹ 7 lakhs (31 March 2015: ₹ 5 lakhs)

^ Represents margin money against the borrowings with banks and financial institutions

	As at 31 March 2016		As at 31 March 2015	
	Non-current	Current	Non-current	Current
<b>13 Other assets</b>				
Deposits (refer note 12)	40	-	121	-
Interest accrued on deposits **	3	19	7	1
Interest accrued but not due on loans to educational institutions	-	147	-	53
Interest due but not collected	-	7	-	7
	<b>43</b>	<b>173</b>	<b>128</b>	<b>61</b>

\*\* includes accrued interest on deposits representing margin money against the borrowings from bank and financial institution ₹ 19 lakhs (31 March 2015: ₹ 8 lakhs)



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# Thirumeni Finance Private Limited

## Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

### 14 Finance income

Interest on loans to educational institutions  
Loan processing fees  
Others

Year ended 31 March 2016	Year ended 31 March 2015
2,001	640
235	83
19	-
<b>2,255</b>	<b>723</b>

### 15 Other income

Profit on sale of investments in mutual funds  
Interest earned on fixed deposit with banks  
Interest on income tax refund [₹ 10,289 (31 March 2015 ₹ Nil)]  
Miscellaneous

Year ended 31 March 2016	Year ended 31 March 2015
105	68
16	8
0	-
22	20
<b>143</b>	<b>96</b>

### 16 Employee benefits expense

Salaries, wages and bonus  
Contributions to provident and other funds  
Gratuity  
Compensated absences  
Staff welfare expenses

Year ended 31 March 2016	Year ended 31 March 2015
697	319
30	13
7	4
7	2
15	3
<b>756</b>	<b>341</b>

### 17 Finance costs

Interest expense on  
- term loans  
- NCDs  
- OCDs  
Loan processing fees  
Interest on delay in payment of income tax  
[including pertaining to prior years ₹ 1 lakhs (31 March 2015: ₹ Nil)]  
Others

Year ended 31 March 2016	Year ended 31 March 2015
826	253
263	-
1	2
20	3
5	-
2	-
<b>1,117</b>	<b>258</b>

### 18 Depreciation and amortisation expense

Depreciation of tangible assets  
Amortisation of intangible assets

Year ended 31 March 2016	Year ended 31 March 2015
9	5
1	1
<b>10</b>	<b>6</b>

### 19 Provision for loan assets

Provision for standard assets  
Provision for sub-standard assets  
Provision for doubtful assets

Year ended 31 March 2016	Year ended 31 March 2015
61	15
96	22
5	19
<b>162</b>	<b>56</b>



# Thirumeni Finance Private Limited

## Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

	Year ended 31 March 2016	Year ended 31 March 2015
<b>20 Other expenses</b>		
Rent	29	15
Travelling and conveyance	72	30
Legal and professional	122	28
Rates and taxes	10	3
Communication	14	6
Printing and stationery	7	4
Insurance	8	4
Commission [₹ 38,697 (31 March 2015 ₹ 38,500)]	0	0
Repairs and maintenance	7	3
Loss on sale of fixed assets [₹ Nil (31 March 2015 ₹ 13,932)]	-	0
Bad debts	19	-
Training and recruitment	28	6
Information technology costs	13	8
Branding and marketing	2	3
Miscellaneous	1	1
	<b>332</b>	<b>111</b>
	<b>Year ended 31 March 2016</b>	<b>Year ended 31 March 2015</b>
<b>Audit expenses (excluding service tax and other expenses)</b>		
- Audit fees	6	6
- Limited review fees	2	-
- Tax audit fees	1	1
- Certification fees	1	1
	<b>10</b>	<b>8</b>
	<b>Year ended 31 March 2016</b>	<b>Year ended 31 March 2015</b>
<b>21 Earnings per share (EPS)</b>		
Net profit attributable to equity shareholders	29	34
Add: Interest on OCDs	1	2
	<b>30</b>	<b>36</b>
Weighted average number of shares outstanding for computing basic EPS (nos)	32,304	32,300
Add: Effect of potential shares for conversion of CCPS (nos)	54,200	30,280
Add: Effect of potential shares for conversion of CCDs (nos)	15,900	13,664
Add: Effect of potential shares for conversion of OCDs (nos)	575	2,297
Weighted average number of shares outstanding for computing diluted EPS (nos)	<b>102,979</b>	<b>78,541</b>
Earnings per share** :		
Basic (₹)	89.77	105.26
Diluted (₹)	29.13	45.84
Nominal value - per equity share (₹)	100	100

\*\* The basic and diluted EPS for the year ended 31 March 2015 have been restated pursuant to the issue of bonus equity shares in the ratio of 0.148:1 during the year ended 31 March 2016.



## Thirumeni Finance Private Limited

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

	As at 31 March 2016	As at 31 March 2015
<b>22 Classification and provisions for loan assets</b>		
<b>Asset classification</b>		
<b>Loan to educational institutions</b>		
Standard assets	16,638	5,253
Substandard	639	171
Doubtful	24	19
<b>Less: Provision</b>		
Standard assets	83	22
Substandard	125	29
Doubtful	24	19
<b>Loan outstanding (net)</b>		
Standard assets	16,555	5,231
Substandard	514	142
Doubtful	-	-

#### 23 Un-hedged foreign currency exposure

The Company does not have any foreign currency receivables and payables as at 31 March 2016 (31 March 2015: ₹ Nil).



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## Thirumeni Finance Private Limited

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

#### 24 Employee benefits plans

- a) The Company's contribution to defined contribution plans are disclosed as "Contribution to Provident and Other Funds" under "Employee benefits expense". During the current year the Company has provided ₹ 30 lakhs (31 March 2015: ₹ 13 lakhs) towards contribution to provident and other funds.
- b) The disclosures of Gratuity required as per the Accounting Standard (AS) 15, 'Employee Benefits' are as under:

#### The amounts recognised in the Balance Sheet are as follows:

Present value of the obligation as at the end of the year  
Fair value of plan assets as at the end of the year  
Net liability recognised in the Balance Sheet

As at 31 March 2016	As at 31 March 2015
12	5
-	-
<b>12</b>	<b>5</b>

#### The amounts recognised in the Statement of Profit and Loss are as follows:

Service cost  
Interest cost  
Net actuarial loss recognised in the year

6	3
-	-
<b>1</b>	<b>1</b>
<b>7</b>	<b>4</b>

#### Expense recognised in the Statement of Profit and Loss of the year

#### Changes in the present value of defined benefit obligation

Defined benefit obligation as at beginning of the year  
Service cost  
Interest cost  
Actuarial losses

5	1
6	3
-	-
<b>1</b>	<b>1</b>
<b>12</b>	<b>5</b>

#### Defined benefit obligation as at the end of the year

#### Assumptions used in the actuarial valuation for gratuity are as under:

Interest rate	7.89%	7.78%
Discount rate	7.89%	7.78%
Future salary increase	5%	5%
Attrition rate	3%	3%
Retirement age	58 years	58 years
Mortality	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)

#### Particulars

Present value of defined benefit obligation  
Fair value of plan asset  
Surplus/(deficit)  
Experience adjustments

31 March 2014	31 March 2015	31 March 2016
1	5	12
-	-	-
(1)	(5)	(12)
-	1	1

The estimates of future salary increase take account of inflation, seniority, promotions and other relevant factors, such as supply and demand factors in the employment market.



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## Thirumeni Finance Private Limited

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

#### 25 Related party disclosure

##### Description of relationship

##### Nature of relationship

##### i) Parties where control exists

Dragonfruit Education Services LLP

Shareholder and entity controlled by the key managerial personnel

##### ii) Key management personnel

Mr. Steve Edwin Hardgrave

Director

Mr. Brajesh Kumar Mishra

Director

##### iii) The transactions with related parties are as follows

Nature of transaction	Key managerial personnel		Other related parties	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Transactions during the year</b>				
<b>Remuneration</b>				
Mr. Steve Edwin Hardgrave	54	51	-	-
Mr. Brajesh Kumar Mishra	54	47	-	-
<b>Loan repaid</b>				
Dragonfruit Education Services LLP	-	-	-	-
<b>Reimbursement of expense</b>				
Mr. Steve Edwin Hardgrave	4	4	-	-
Mr. Brajesh Kumar Mishra	4	5	-	-

##### iv) Balance receivable / (payable) with related parties as at the year end are as follows

There were no balance receivable / (payable) with related parties as at the 31 March 2016 and 31 March 2015.



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# Thirumani Finance Private Limited

## Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

### 26 Additional disclosure pursuant to the RBI directions vide paragraph 13 of Non-Banking Financial (Non-deposit Accepting or Holding) Company Prudential Norms (Reserve Bank) Directions, 2007

#### Liabilities side :

1 Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
(a) Debentures		
Secured	6,739	-
Unsecured	629	-
(other than falling within the meaning of public deposits)		
(b) Deferred credits	-	-
(c) Term loans (secured)	8,212	-
(d) Inter-corporate loans and borrowings	-	-
(e) Commercial paper	-	-
(f) Other loans (specify nature)	-	-
	<b>15,580</b>	<b>-</b>

#### Assets side :

#### 2 Break-up of loans and advances

(a) Secured	13,001
(b) Unsecured	4,300
	<b>17,301</b>

#### 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 :	
(a) Financial lease	-
(b) Operating lease	-
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	-
(b) Repossessed assets	-
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-

#### 4 Break-up of investments :

##### Current investments

##### 1. Quoted

##### (i) Shares :

(a) Equity

(b) Preference

(ii) Debentures and bonds

(iii) Units of mutual funds

(iv) Government securities

(v) Others (please specify)

##### 2. Unquoted

##### (i) Shares :

(a) Equity

(b) Preference

(ii) Debentures and bonds

(iii) Units of mutual funds

(iv) Government securities

(v) Others (please specify)



# Thirumoni Finance Private Limited

## Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

### 26 Additional disclosure pursuant to the RBI directions vide paragraph 13 of Non-Banking Financial (Non-deposit Accepting or Holding) Company Prudential Norms (Reserve Bank) Directions, 2007 (Cont'd)

#### Long term investments

Amount outstanding

#### 1. Quoted

##### (i) Shares :

##### (a) Equity

##### (b) Preference

##### (ii) Debentures and Bonds

##### (iii) Units of mutual funds

##### (iv) Government Securities

##### (v) Others (please specify)

#### 2. Unquoted

##### (i) Shares :

##### (a) Equity

##### (b) Preference

##### (ii) Debentures and Bonds

##### (iii) Units of mutual funds

##### (iv) Government Securities

##### (v) Others (please specify)

### 5 Borrower group-wise classification of assets financed as in 2(a) and 2(b) above

Amount (net of provisions)

Category	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	12,872	4,197	17,069
	<u>12,872</u>	<u>4,197</u>	<u>17,069</u>

### 6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

#### Category

Book Value (Net of Provisions)

Market value/ Break up or fair value or NAV

#### 1. Related Parties

##### (a) Subsidiaries

##### (b) Companies in the same group

##### (c) Other related parties

#### 2. Other than related parties

	35	39
	<u>35</u>	<u>39</u>

### 7 Other information

#### (i) Gross Non-Performing Assets

##### (a) Related parties

##### (b) Other than related parties

#### (ii) Net Non-Performing Assets

##### (a) Related parties

##### (b) Other than related parties

#### Assets acquired in satisfaction of debt





## Thirumeni Finance Private Limited

### Summary of significant accounting policies and other explanatory information

(All amounts in ₹ lakhs except otherwise stated)

27 Additional information as required under paragraph 5 of the part II of the Schedule VI to the Act to the extent either "nil" or "not applicable" has not been furnished.

#### 28 Leases

The Company has entered into cancellable operating leases for the facilities with the lease term of 11 to 36 months. The lease expenditure recognised in the Statement of Profit and Loss for the year is ₹ 29 lakhs (31 March 2015: ₹ 15 lakhs).

#### 29 Supplementary statutory information

	As at 31 March 2016	As at 31 March 2015
<b>i) Value of imports calculated on CIF basis</b>		
Capital goods (software)	-	-
Capital work in progress	-	4
<b>ii) Earnings in foreign currency</b>	-	-
<b>iii) Expenditure in foreign currency</b>		
Travelling and conveyance	-	2
Information technology costs	13	-

#### 30 Segment information

The Company is engaged in lending to educational institutions/ trusts which is considered to be the only reportable business segment as per Accounting Standard (AS) 17, Segment Reporting. The Company operates primarily in India and there is no other significant geographical segment.

#### 31 Prior year comparatives

Previous year's amounts have been regrouped/ reclassified wherever necessary to conform to the current year's presentation.

As per our report of even date.

**Walker Chandlok & Co. LLP**  
For Walker Chandlok & Co LLP  
Chartered Accountants

*Sanjay Banthia*

per **Sanjay Banthia**  
Partner

Bengaluru  
11 May 2016



For and on behalf of the Board of Directors

*Steve Edwin Hardgrave*  
**Steve Edwin Hardgrave**  
Director  
DIN: 02189073

*Brajesh Kumar Mishra*  
**Brajesh Kumar Mishra**  
Director  
DIN: 02292429

*Hetal Faldu*  
**Hetal Faldu**  
Chief Financial Officer

Bengaluru  
11 May 2016





# THIRUMENI FINANCE PRIVATE LIMITED

Corporate Office: 2<sup>nd</sup> Floor, 'Supraja', 4<sup>th</sup> Cross, 2<sup>nd</sup> Block, HRBR Layout, Kalyan Nagar Bangalore 560043

Website [www.varthana.com](http://www.varthana.com) Email: [info@varthana.com](mailto:info@varthana.com) Phone: 080 6888 8201

26 May 2016

The Sr General Manager, BSE Limited

1<sup>st</sup> Floor, PJ Towers, Dalal Street

Mumbai 400001

**Subj:- Half Yearly communication for dissemination to the debenture holders.**

With reference to the above, we submit herewith the documents and statements as required by SEBI and BSE under the Listing Agreement, for dissemination to the Debenture Holders.

Following issue of Private Placement Debt Instruments has been listed with your Exchange:

Sr No	ISIN	Date of Issue	Date of Listing	Description	No. of NCDs	Face Value	Issue Amount
1	1460TFPL19	9-Jul-15	22-Jul-15	F Group 14.60% Secured Listed Redeemable Non Convertible Debentures – 2019	12,732 (Series 1-12,732)	Rs 10,000 (Rs. Ten thousand) each	Rs.127,320,000/-
2	INE125T07022	14-Dec-15	15-Dec-15	13.59% Secured Redeemable Non Convertible Debentures. F Group Debt Instrument: Series 12733-13120 Date of Maturity 14/12/2018	399 (Series 12733-13120)	Rs.500000 (Rs. Five Lakhs) each	Rs.199,500,000/-
3	INE125T07030	09-Mar-16	22-Mar-16	13.34% Secured, Listed, Rated, Redeemable and Non-Convertible Debentures. Series G Debt Instruments 201516 Date of Maturity 10 Mar 2019.	670 (Series 1-670)	Rs. 500000 (Rs. Five Lakhs) each	Rs. 335000000/-



1. The latest credit rating in respect of the issue is ICRA BB+ (Stable)

2. Asset Cover available- As of 31 March 2016

S. No	ISIN	Asset Cover	%
1	1460TFPL19	Rs. 14,94,14,670/-	117.35%
2	INE125T07022	Rs. 20,32,36,843/-	101.87%
3	INE125T07030	Rs. 34,37,73,197/-	102.62%

3. Debt – Equity Ratio = 1.15 as of 31 March 2016

4. The previous due date for payment of interest under the Issue and date of payment

S. No:	ISIN	Previous Interest Payment Date.	Next Interest Payment Date as of 31 March 2016.
1	1460TFPL19	05 Nov 2015	05 May 2016
2	INE125T07022	15 March 2016	15 Jun 2016
3	INE125T07030	NA	10 Sep 2016

5. As of 31 March 2016 the next due date for payment of interest- Refer above table for the same

6. Debt Service Coverage Ratio- 1.19

7. Interest Service Coverage Ratio- 1.09

8. Debenture redemption reserve- NA

9. Net Worth- Rs. 12873 Lakhs

10. Net Profit After Tax- Rs 29 Lakhs

11. Earnings Per Share (EPS)- 29.13

Kind Regards,

For Thirumeni Finance Pvt Ltd.




Director

Countersigned by

GDA Trusteeship (The Trustee to the Issue)