



CA. M.FATHIMA B.Com., FCA.,
Chartered Accountant
+91 86918 42740
fathimahussain.fca@gmail.com

INDEPENDENT AUDITORS' REPORT

To
The Members
Palma Development Finance Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Palma Development Finance Private Limited**, which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statement including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 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 March 31, 2021, its profit and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.



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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statement of the current period. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, key audit matters are not applicable to the Company as it is an unlisted Company.

Emphasis of Matter

As more specifically explained in note 2 to the financial statement, the Company has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the Covid 19 pandemic which may be different from that estimated as at the date of approval of the financial result. The Company will closely monitor any material changes arising of future economic condition and impact on its business.

Our opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors and Management is responsible for the preparation of the other information. The other information comprises the information obtained at the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.



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

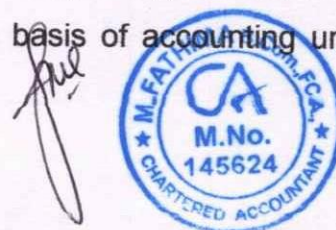
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless



management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statement may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the result of our work and (ii) to evaluate the effect of any identified misstatement in the financial statement.

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

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



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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement 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 from time to time.
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an



unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- (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;
- (a) The Company does not have any pending litigations which would impact its financial position;
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (c) There were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund.

For. **M.FATHIMA B.COM., FCA**
Chartered Accountant



(M.Fathima)

Regn. No:145624

UDIN: 21145624AAAAFT2358

Place: Madurai
Date: 26-11-2021

Annexure "A" to the Independent Auditor's Report

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of the Company on the financial statements for the year ended on March 31, 2021. We report that:

- (i)
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets;
 - (b) The fixed assets have been physically verified by the management at reasonable interval.
 - (c) No material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account.
 - (d) In our opinion and according to the information and explanation given to us, the Company does not hold any immovable property and thus paragraph 3(i)(c) of the order is not applicable.
 - (e) In our opinion and according to the information and explanation given to us, the Company has not revalued its fixed assets during the year and thus paragraph 3(i)(d) of the order is not applicable.
 - (f) The Company does not hold any benami property under the Benami Property Transactions (Prohibition) Act 1988 and rules made there under and thus paragraph 3(i)(e) of the order is not applicable.
- (ii) The Company is in service sector. Accordingly, it does not hold any physical inventories. Therefore paragraph 3(ii) of the order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore paragraph 3(iii) of the order is not applicable.
- (iv) In respect of loans, investments, guarantees and security, the provisions of section 185 and 186 of the Companies Act have been complied with.

[Handwritten Signature]



- (v) The Company has not accepted deposits from its members and hence the provision of section 73 to 76 or any other relevant provision of the Companies Act 2013 are not applicable to the Company. The company has not received any public deposits during the year.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, hence the question of maintaining such accounts and records does not arise.
- (vii) (a) According to the records of the company and information and explanation given to us, the Company has generally been regular in depositing undisputed statutory dues, including Income Tax, Tax Deducted at Source, Professional Tax, Goods and Service Tax (GST) and other material statutory dues applicable to it, with the appropriate authorities. There are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there were no undisputed amounts payable in respect of Income Tax, Tax Deducted at Source, Professional Tax, GST and other material statutory dues in arrears were outstanding as at 31st March 2021 for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The company does not have any loans or borrowings from financial institutions or government and has not issued any debenture.
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments). Hence this clause is not applicable.
- (x) According to the information and explanation given to us, no materials fraud by the company or on the company by its officer or employees has been noticed or



reported during the course of our audit.

- (xi) In our opinion and according to the information and explanation given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule 5 to the Companies Act, 2013.
- (xii) The company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations give to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with the directors or persons connected with his. Therefore paragraph 3(xv) of the order is not applicable.
- (xvi) The Company is not required to appoint an internal auditor and thus the paragraph 3(xiv) is not applicable.
- (xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) In our opinion and according to the information and explanations given to us



there is no material uncertainty exists as on the date of the audit report and the Company is capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.

- (xix) Since section 135 of the Companies Act 2013 is not applicable to the Company and hence the Company is not required to comment upon the Clause 3(xx).
- (xx) The Company has obtained a Certificate of Registration as Non-Banking Financial Company vide Certificate No.B-07.00520 dated November 15, 2000, pursuant to Section 451A of the Reserve Bank of India Act, 1934.

For. **M.FATHIMA B.COM., FCA**
Chartered Accountant



M. Fathima

(M.Fathima)

Regn. No: 145624

UDIN: 21145624AAAAFT2358

Place: Madurai
Date: 26-11-2021

Annexure “B” to the Independent Auditor’s Report

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Palma Development Finance Private Limited as at March 31, 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting



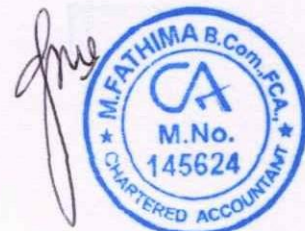
were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Limitations of internal financial controls over financial reporting

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

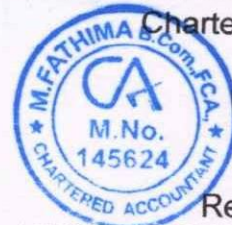
Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Madurai
Date: 26-11-2021

For. **M.FATHIMA B.COM., FCA**

Chartered Accountant



M. Fathima
(M.Fathima)

Regn. No:145624

UDIN: 21145624AAAAFT2358



CA.M.FATHIMA B.Com., FCA.,
Chartered Accountant
+91 86918 42740
fathimahussain.fca@gmail.com

AUDITORS' REPORT TO MEMBERS PURSUANT TO NBFC (RESERVE BANK OF INDIA) DIRECTIONS 2008

We have audited the attached Balance Sheet of PALMA DEVELOPMENT FINANCE PRIVATE LIMITED, MARTHANDAM as at March 31, 2021 and the Statement of Profit and Loss Account for the year ended on that date annexed thereto and report that:

Further to our audit report of even date issued under Section 143 of the Companies Act, 2013, and as required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank Directions 2008), and based on the information and explanations given to us and the records produced, we state below a statement on matters specified in paragraph 3 of the said Directions.

IN THE CASE OF ALL NON-BANKING FINANCIAL COMPANIES (PARAGRAPH 3(A) OF THE ORDER):

The Company has obtained a Certificate of Registration as Non-Banking Financial Company vide Certificate No.B-07.00520 dated November 15, 2000, pursuant to Section 451A of the Reserve Bank of India Act, 1934 (2 of 1934).

IN THE CASE OF NON-BANKING FINANCIAL COMPANY NOT ACCEPTING PUBLIC DEPOSITS (PARAGRAPH 3(C) OF THE ORDER):

The Board of Directors has passed a resolution in the meetings held on 08/04/2020 in respect of non-acceptance of any public deposits.

The Company has not accepted any Public Deposits during the period under review.

The Company has complied with the Prudential Norms relating to income recognition, assets classification, accounting standards and adoption of a prudent policy on provisioning for bad and doubtful debts, during the period ended March 31, 2021.

The Company has also followed the Capital Adequacy Norms. The Accounting Policies followed by the Company in respect of the same are reported in the notes forming part of accounts.

The company has fulfilled all the conditions stipulated by the RBI to be classified as an NBFC – MFI as given in the annexure to this report.

Margin Cap: The Company has not borrowed loans. The funding is from Own Sources.

Place: Madurai
Date: 26-11-2021

For **M.FATHIMA B.COM., FCA**
Chartered Accountant

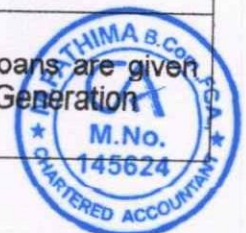
(M.Fathima)
Regn. No:145624
UDIN: 21145624AAAAFT2358



8. ANNEXURE TO THE AUDITORS' REPORT ON NBFC DIRECTIONS

The degree of compliance with each of the conditions stipulated by the RBI vide circular No. DNBS.CC.PD.No. 250/03.10.01/2011-12 dated December 2, 2011 to be classified as an NBFC – MFI is as follows:


Sl. No	Conditions laid down by the RBI	Degree of compliance
1	Maintaining a minimum Net Owned Fund of Rs 5 Crores	Net owned funds as on 31.3.2021 is Rs. 5,06,56,972/-
2	Qualifying asset should not less than 85% of the total assets of MFI	Total qualifying asset is 97.92% of the total assets of the MFI
3	Loan disbursed to a borrower with a rural household annual income not exceeding Rs. 1,00,000/- or urban and semi-urban household income not exceeding Rs. 1,60,000/-.	Palma Development Finance Private Limited is obtaining declaration from each prospective borrower prior to sanctioning the loan regarding their annual income level.
4	Loan amount does not exceed Rs. 60,000/- in the first cycle and Rs. 1,00,000/- in subsequent cycles	Palma Development Finance Private Limited is providing need based loan to the individuals after due appraisal. The quantum of loan is decided based on the ceiling as applicable under each loan cycle. However the loans do not exceed Rs.10,000 under first cycle and Rs.12,000/- for second cycle and Rs.15,000/- for third cycle
5	Total indebtedness of the borrower does not exceed Rs. 1,00,000/-.	Palma Development Finance Private Limited is obtaining declaration from each prospective borrower prior to sanctioning the loan regarding their total indebtedness and also ensures that their total borrowings do not exceed Rs.50,000/- Palma has also become a member of Highmark, CIBIL, Equifax and Experian.
6	Tenure of the loan not to be less than 24 months for loan amount in excess of Rs. 30,000 with prepayment without penalty	Palma Development Finance Private Limited loan products in accordance with RBI guidelines -repayment tenure of not less than 2 years for loans above Rs.15,000/-
7	Loan to be extended without collateral	Palma Development Finance Private Limited is lending loans to individual without any collateral
8	Aggregate amount of loans, given for income generation, is not less than 75 per cent of the total loans given by the MFIs	Not less than 75% of Palma loans are given only for the purpose of income Generation



9	Loan is repayable on weekly, fortnightly or monthly installments at the choice of the borrower	Palma Development Finance Private Limited is adhering to this guideline.
10	Interest on individual loans should not be more than 26% per annum, calculated on reducing balance basis	Palma Development Finance Private Limited is adhering to this guideline.
11	Processing Fee should not exceed 1% of the gross loan amount.	Palma Development Finance Private Limited is not collecting processing fee for the loan amount
12	Only three components are to be included in pricing of loans viz., (a) Processing Fee not exceeding 1% of the gross loan amount; (b) Interest and (c) insurance premium.	Palma Development Finance Private Limited is adhering to this guideline.
13	Only the actual cost of insurance should be recovered; administrative charges to be recovered as per IRDA guidelines.	Palma Development Finance Private Limited charges only the actual cost of insurance from the borrowers.
14	There should not be any penalty for delayed payment.	Palma Development Finance Private Limited is not charging any penalty for delayed payment
15	No Security Deposit / Margin are to be taken.	Palma Development Finance Private Limited is not taking any security deposit/ margin for lending.

Place: Madurai
Date: 26-11-2021

For. **M.FATHIMA B.COM., FCA**
Chartered Accountant



M. Fathima
(M.Fathima)
Regn. No: 145624
UDIN: 21145624AAAAFT2358

PALMA DEVELOPMENT FINANCE PRIVATE LIMITED
CIN : U65999TN1990PTC104347
14-26/1, "Palmalayam", Changai, Kanjiracode P.O
Marthandam, Kanyakumari District, Tamilnadu - 629 155
Balance Sheet as at March 2021

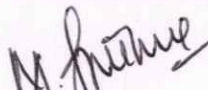
Particulars	Note No	Amounts in Rs.	
		Apr' 2020 - Mar 2021	Apr'2019 - Mar'2020
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	2,62,82,500	2,62,82,500
(b) Reserves and Surplus	2	2,43,74,472	2,41,91,718
(c) Money received against share warrants		-	-
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
Defferred Tax Liability		-	-
(4) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	3	12,67,129	12,15,137
(d) Short-term provisions	4	4,86,644	4,79,226
Total		5,24,10,745	5,21,68,581
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	5	6,84,844	7,82,244
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)	6	72,754	73,957
(d) Long-term loans and advances		-	-
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Receivables from service activity	7	5,13,19,228	5,05,19,611
(d) Cash and cash equivalents	8	1,48,584	6,02,603
(e) Short-term loans and advances	9	1,85,335	1,90,166
(f) Other current assets		-	-
Total		5,24,10,745	5,21,68,581

The Notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For. **M.FATHIMA B.COM., FCA**

Chartered Accountant


(M.Fathima)
 Regn. No: 145624

UDIN: 21145624AAAAFT2358

Place : Madurai

Date : 26-11-2021




S.Anbaian
 Managing Director


Jacob Abraham
 Director

PALMA DEVELOPMENT FINANCE PRIVATE LIMITED

CIN : U65999TN1990PTC104347

14-26/1, "Palmalayam", Changai, Kanjiracode P.O

Marthandam, Kanyakumari District, Tamilnadu - 629 155

Statement of Profit and Loss for the year ended 31st March 2021

	Particulars	Note No	Amounts in Rs.	
			Apr'2020 - Mar 2021	Apr'2019 - Mar 2020
I.	Revenue from operations	10	32,05,336	31,31,511
II.	Other Income	11	-	5,500
III.	Total Revenue (I +II)		32,05,336	31,37,011
IV.	<u>Expenses:</u>			
	Employee benefit expense	12	17,25,558	18,58,291
	Depreciation Expenses	5	97,400	1,13,820
	Provision for Loans	13	7,418	13,072
	Other expenses	14	12,78,711	11,11,252
	Total Expenses		31,09,087	30,96,435
V.	Profit before exceptional and extraordinary items and tax (III - IV)		96,249	40,576
VI.	Exceptional Items (Provision for standard Assets - Reversed)		-	-
VII.	Profit before extraordinary items and tax (V - VI)		96,249	40,576
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII - VIII)		96,249	40,576
X.	Tax expense:			
	(1) Current tax		23,822	10,550
	(2) Deferred tax		1,203	(1,605)
XI.	Profit/(Loss) from the period from continuing operations (IX - X) After Tax		71,224	31,631
XII.	Profit/(Loss) from discontinuing operations		-	-
XIII.	Tax expense of discounting operations		-	-
XIV.	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV.	Profit/(Loss) for the period (XI + XIV)		71,224	31,631
XVI.	Earning per equity share:			
	(1) Basic		0.27	0.12
	(2) Diluted		0.27	0.12

The Notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For. **M.FATHIMA B.COM., FCA**

Chartered Accountant

M. Fathima
(M.Fathima)

Regn. No. 145624

UDIN: 21145624AAAAFT2358



S. Anbaian

S.Anbaian
Managing Director

I. Jacob Abraham
I. Jacob Abraham
Director

Place : Madurai

Date : 26-11-2021

PALMA DEVELOPMENT FINANCE PRIVATE LIMITED

CIN : U65999TN1990PTC104347

14-26/1, "Palmalayam", Changai, Kanjiracode P.O

Marthandam, Kanyakumari District, Tamilnadu - 629 155

Cash Flow Statement for the year ended March 31, 2021

Particulars		Amounts in Rs.	
		2020-21	2019-20
A. Cash flow from operating activities			
Profit Before Tax		96,249	40,576
Add : Depreciation		97,400	1,13,820
Less: Interest income from Fixed deposit		-	-
Add: Income Tax Provision written back		1,11,530	-
Operating profit before working capital changes		3,05,179	1,54,396
Adjustments for (increase)/decrease in operating assets:			
Receivables under Financing Activities		(7,99,617)	(1,68,843)
Short-term loans and advances		4,831	1,55,676
Adjustments for increase/(decrease) in operating liabilities:			
Other current liabilities		51,992	3,22,741
Short term provision		7,418	(1,10,691)
CASH: (Used in) From Operation			
Less: Direct Taxes Paid		(23,822)	(10,550)
Add: Interest on Income tax Refund			
Net cash (Used in)/from operating activities	(A)	(4,54,019)	3,42,728
B. Cash flow from investing activities			
Purchase of Fixed Assets		-	-
Net cash (Used in) / from investing activities	(B)	-	-
C. Cash flow from financing activities			
Proceeds from issuance of share capital		-	-
Proceeds from Share application money		-	-
Proceeds from Short term borrowings		-	-
Repayment of short term borrowings		-	-
Net cash (Used in) / from financing activities	(C)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(A)+(B)+(C)	(4,54,019)	3,42,728
Cash and Cash Equivalents at the beginning of the Year		6,02,603	2,59,875
Cash and Cash Equivalents at the end of the Year		1,48,584	6,02,603

For. **M.FATHIMA B.COM, FCA**
Chartered Accountant



(M.Fathima)

Regn. No: 145624

UDIN: 21145624AAAAFT2358

Place : Madurai

Date : 26-11-2021

S. Anbaian
S. Anbaian
Managing Director

I. Jacob Abraham
I. Jacob Abraham
Director

PALMA DEVELOPMENT FINANCE PRIVATE LIMITED

CIN : U65999TN1990PTC104347

14-26/1, "Palmalayam", Changai, Kanjiracode P.O
Marthandam, Kanyakumari District, Tamilnadu - 629 155

Notes forming part of the financial statements for the year ended 31st March 2021

Note No	Particulars	Amounts in Rs.	
		Apr'2020 - Mar 2021	Apr'2019 - Mar 2020
1	Share Capital		
	Equity Share Capital (Refer Annexure)	2,62,82,500	2,62,82,500
	Total	2,62,82,500	2,62,82,500
2	Reserves and Surplus		
	Statutory Reserve Fund		
	Opening Balance	13,74,362	13,68,036
	Add: Current year transfer from surplus	14,245	6,326
	Total (A)	13,88,607	13,74,362
	Reserve - Share Premium		
	Shares issued - 2013-14	36,65,625	36,65,625
	Shares issued - 2014-15	1,21,50,000	1,21,50,000
	Total (B)	1,58,15,625	1,58,15,625
	General Reserve		
	Opening Balance	70,01,731	69,76,426
	Add: current year surplus	71,224	31,631
	Add: Income Tax Provision written back	1,11,530	
	Less: Current year transfer to reserves	(14,245)	(6,326)
	Total (C)	71,70,241	70,01,731
	Total (A+B+C)	2,43,74,472	2,41,91,718

By virtue of the statutory provisions of Chapter III B of RBI Act, 1934 as applicable to NBFC's, the company has appropriated 20 percent of the current year profits after tax equal in Rs.14,245/- to the Statutory Reserve Fund (previous year Rs.6,326/-), to adhere to the regulatory direction of RBI.

3	Other current liabilities		
	Statutory Remittances		
	EPF Deduction to be Remitted	(25,018)	20,607
	ESI Deduction to be Remitted	14,011	14,011
	PEMBA- Staff Deduction to be Remitted	2,850	30,608
	Other Staff Deduction to be Remitted	5,361	5,361
	Annual Staff Savings	2,900	4,500
	Gratuity Payable	11,00,628	9,42,880
	Income Tax Payable	23,822	1,20,470
	TDS Payable	4,875	-
	Other Payables		
	Audit Fee Payable	76,700	76,700
	Leela Paul Sundaram	500	-
	Kumari Chit Fund	2,500	-
	Palma Chits	10,000	-
	Palma Chits - Rent Payable	48,000	-
	Total	12,67,129	12,15,137
4	Short-term provisions		
	Contingent Provision Against standard Assets	4,86,644	4,79,226
	Provision for Income Tax	-	-
	Total	4,86,644	4,79,226



PALMA DEVELOPMENT FINANCE PRIVATE LIMITED

CIN : U65997TN1990PTC104347

14-26/1, "Palmalayam", Changal, Karjiracode P.O

Marthandam, Kanyakumari District, Tamilnadu - 629 155

Note 1.1 Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule III to the Companies Act, 2013

	Share Capital		April 2020 - March 2021		April 2019 - March 2020	
	Number	Rs.	Number	Rs.	Number	Rs.
Authorised						
Equity Shares of Rs. 100 each		3,00,000		3,00,00,000		3,00,00,000
Issued						
Equity Shares of Rs. 100 each		2,62,825		2,62,82,500		2,62,82,500
Subscribed & Paid up						
Equity Shares of Rs. 100 each fully paid		2,62,825		2,62,82,500		2,62,82,500
Subscribed but not fully Paid up						
Equity Shares of Rs. 100 each, not fully paid up		-		-		-
Total		2,62,825		2,62,82,500		2,62,82,500

Note 1.2 Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule III to the Companies Act, 2013

Particulars	Equity Shares	
	Number	Rs.
Shares outstanding at the beginning of the year	2,62,825	2,62,82,500
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	2,62,825	2,62,82,500

Note 1.3 Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013 (if more than 5%)

Name of Shareholder	April 2020 - March 2021		April 2019 - March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Palma Thozhilalar Peravai	1,11,481	42.42%	1,11,481	42.42%
Palma Mahalir Suya Uthavikuzhu Kootammaippu	1,31,194	49.92%	1,31,194	49.92%
Palma Employees Mutual Benefit Association	20,000	7.61%	20,000	7.61%
Mrs. J. Santhi	150	0.06%	150	0.06%
Total	2,62,825	100.00%	2,62,825	100.00%



PALMA DEVELOPMENT FINANCE PRIVATE LIMITED

CIN : U65999TN1990PTC104347

14-26/1, "Palmalayam", Changai, Kanjiracode P.O

Marthandam, Kanyakumari District, Tamilnadu - 629 155

NOTE : 5 - TANGIBLE ASSETS SCHEDULE AS PER COMPANIES ACT, 2013

Notes forming part of the financial statements for the year ended 31st March 2021

(Rs.)

Sl No	Date	Asset	Original Cost of the Assets				Depreciation Rate - SLM (%)	No of Days	Depreciation			
			Opening Balance as on 1.4.2020	Addition	Deletion	Closing Balance as on 31.3.2021			Accumulated Depreciation as on 1.4.2020	Depreciated on Charged to Profit & Loss Account	Depreciated on assets sold During the year	Accumulated Depreciation as on 31.3.2021

Furniture & Fittings 9.50%

1	26-03-2014	Furniture	40,000	-	-	40,000	9.50%	365	19,672	1,931	-	21,603	18,397	20,328
2	06-04-2015	Furniture	1,22,900	-	-	1,22,900	9.50%	365	50,773	6,852	-	57,625	65,275	72,127
3	23-04-2015	Furniture	10,000	-	-	10,000	9.50%	365	4,095	561	-	4,656	5,344	5,905
4	28-04-2015	Furniture	15,000	-	-	15,000	9.50%	365	6,127	843	-	6,970	8,030	8,873
5	02-05-2015	Furniture	18,500	-	-	18,500	9.50%	365	7,541	1,041	-	8,582	9,918	10,959
6	14-05-2015	Furniture	17,500	-	-	17,500	9.50%	365	7,089	989	-	8,078	9,422	10,411
7	01-09-2015	Furniture	22,200	-	-	22,200	9.50%	365	8,476	1,304	-	9,780	12,420	13,724
8	23-11-2015	Furniture	6,640	-	-	6,640	9.50%	365	2,417	401	-	2,818	3,822	4,223
9	25-11-2015	Furniture	33,900	-	-	33,900	9.50%	365	12,326	2,050	-	14,376	19,524	21,574
10	15-04-2016	Furniture	9,700	-	-	9,700	9.50%	365	3,203	617	-	3,820	5,880	6,497
11	14-10-2016	Furniture	14,120	-	-	14,120	9.50%	365	3,566	1,003	-	4,569	9,551	10,554
		Sub Total	3,10,460	-	-	3,10,460			1,25,285	17,592	-	1,42,877	1,67,583	1,85,175

Motor Vehicles - 11.88%

1	16-06-2015	Mahindra Bolero	8,28,239	-	-	8,28,239	11.88%	365	3,98,241	51,084	-	4,49,325	3,78,914	4,29,998
		Sub Total	8,28,239	-	-	8,28,239			3,98,241	51,084	-	4,49,325	3,78,914	4,29,998



PALMA DEVELOPMENT FINANCE PRIVATE LIMITED

CIN : U65999TN1990PTC104347

14-26/1, "Palmalayam", Changai, Kanjiracode P.O

Marthandam, Kanyakumari District, Tamilnadu - 629 155

NOTE : 5 - TANGIBLE ASSETS SCHEDULE AS PER COMPANIES ACT, 2013

Notes forming part of the financial statements for the year ended 31st March 2021

(Rs.)

Sl No	Date	Asset	Original Cost of the Assets			Depreciation Rate - SLM (%)	No of Days	Accumulated Depreciation as on		Depreciation Charged to Profit & Loss Account	Depreciation on assets sold During the year	Accumulated Depreciation as on	WDV as on	WDV as on
			Opening Balance as on 1.4.2020	Addition	Deletion			Closing Balance as on 31.3.2021	on 1.4.2020					
Office Equipments - 19.00%														
1	13-05-2015	Generator	2,68,000	-	-	19.00%	365	1,88,466	15,111	-	-	2,03,577	64,423	79,534
		Sub Total	2,68,000	-	-			1,88,466	15,111	-	-	2,03,577	64,423	79,534
Computers - 31.67%														
1	20-03-2014	Computer	76,200	-	-	31.67%	365	76,200	-	-	-	76,200	-	-
2	28-01-2015	Laptop	10,000	-	-	31.67%	365	9,405	188	-	-	9,593	407	595
3	09-02-2015	Laptop	11,000	-	-	31.67%	365	10,266	232	-	-	10,498	502	734
4	11-03-2015	Printer	1,55,800	-	-	31.67%	365	1,42,560	4,193	-	-	1,46,753	9,047	13,240
5	24-08-2016	Computer & Printer	44,000	-	-	31.67%	365	36,010	2,530	-	-	38,540	5,460	7,990
6	12-05-2016	LED Monitor	6,500	-	-	31.67%	365	5,166	422	-	-	5,588	912	1,334
		Sub Total	3,03,500	-	-			2,79,607	7,567	-	-	2,87,174	16,326	23,892
Electrical Installation and Equipments - 9.50%														
1	17-06-2015	CCTV Camera	64,045	-	-	9.50%	365	25,476	3,664	-	-	29,140	34,905	38,569
2	12-08-2016	DSLR Camera	34,800	-	-	9.50%	365	9,725	2,382	-	-	12,107	22,693	25,075
		Sub Total	98,845	-	-			35,201	6,046	-	-	41,247	57,598	63,644
		Total	18,09,044	-	-			10,26,800	97,400	-	-	11,24,200	6,84,844	7,82,244



PALMA DEVELOPMENT FINANCE PRIVATE LIMITED

Depreciation Chart for the Year Ending '2020-2021'

S. No	Description/Block of asset	Opening WDV	Rate	---ADDITIONS---		---DEDUCTIONS---		Capital Gain	Total	Depreciation	Add. Depreciation	Additional Depreciation		Closing WDV Depreciation	Block Nil(Y/N)
				180 Days OR more	Less Than 180 Days	180 Days OR more	Less Than 180 Days					on Opening Assets	Total Depreciation		
1	Machinery and plant 15% - PLANT & MACHINERY	5,32,989.88	15 %	0.00	0.00	0.00	0.00	0.00	5,32,989.88	79,948	0.00	0.00	79,948.48	4,53,041	N
2	Furniture and fittings 10% - FURNITURES & FIXTURES AND PARTIATION	1,83,306.32	10 %	0.00	0.00	0.00	0.00	0.00	1,83,306.32	18,331	0.00	0.00	18,330.63	1,64,976	N
3	Machinery and plant 60% - COMPUTER & HARDWARES	9,377.64	40 %	0.00	0.00	0.00	0.00	0.00	9,377.64	3,751	0.00	0.00	3,751.06	5,627	N
	Total	7,25,673.84		0.00	0.00	0.00	0.00	0.00	7,25,673.84	1,02,030	0.00	0.00	1,02,030.17	6,23,644	



M. Fathima

PALMA DEVELOPMENT FINANCE PRIVATE LIMITED

CIN : U65999TN1990PTC104347

14-26/1, "Palmalayam", Changai, Kanjiracode P.O

Marthandam, Kanyakumari District, Tamilnadu - 629 155

Notes forming part of the financial statements for the year ended 31st March 2021

Note No	Particulars	Amounts in Rs.	
		Apr'2020 - Mar 2021	Apr'2019 - Mar 2020
6	Deferred tax assets (net)		
	Opening Balance	73,957	72,352
	Add : Deferred tax during the year	(1,203)	1,605
		72,754	73,957
7	Receivables From Financing Activities		
	PEMBA - Staff Loan	35,39,701	34,62,701
	Mantram Members Loan	2,24,32,982	2,12,54,062
	SHGs' Loan	2,05,05,811	1,99,70,235
	Palma Thozhilalar Peravai	23,90,904	29,00,428
	Palam Women SHG Federation	24,49,830	29,32,185
	Total	5,13,19,228	5,05,19,611
8	Cash and cash equivalents		
	Cash in Hand	-	39,602
	Balance with banks	1,48,584	5,63,001
	Total	1,48,584	6,02,603
9	Short term loans and advances - Others		
	Interest Accrued	1,72,265	1,76,296
	Rent Deposit	10,000	10,000
	Staff Advance	3,070	3,870
	Total	1,85,335	1,90,166
10	Revenue from Operations (for finance companies)		
	Interest Income	32,05,336	31,31,511
	Total	32,05,336	31,31,511
11	Other Income		
	Miscellaneous Receipts	-	5,500
	Total	-	5,500



PALMA DEVELOPMENT FINANCE PRIVATE LIMITED

CIN : U65999TN1990PTC104347

14-26/1, "Palmalayam", Changai, Kanjiracode P.O

Marthandam, Kanyakumari District, Tamilnadu - 629 155

Notes forming part of the financial statements for the year ended 31st March 2021

Note No	Particulars	Amounts in Rs.	
		Apr'2020 - Mar 2021	Apr'2019 - Mar 2020
12	Employee Benefits Expense		
	Salaries and wages	16,44,311	16,19,208
	EPF Mgmt. Contribution	70,188	1,46,212
	ESI Employer Contribution	2,059	14,021
	Staff Welfare Expenses	-	8,400
	Field Travel Allowance	9,000	70,450
	Total	17,25,558	18,58,291
13	Provision for Loan (Standard Assets)		
	Provision @1% on MF Loans	4,77,795	4,70,569
	Provision @0.25% on other Loans	8,849	8,657
	Less :		
	Provision for FY 2019-20 (Reversed)	(4,79,226)	(4,66,154)
		7,418	13,072



PALMA DEVELOPMENT FINANCE PRIVATE LIMITED

CIN : U65999TN1990PTC104347

14-26/1, "Palmalayam", Changai, Kanjiracode P.O
Marthandam, Kanyakumari District, Tamilnadu - 629 155**Notes forming part of the financial statements for the year ended 31st March 2021**

Note No	Particulars	Amounts in Rs.	
		Apr'2020 - Mar 2021	Apr'2019 - Mar 2020
14	Other Expenses		
	Audit Fee	76,700	76,700
	Advertisement Charges	2,500	3,702
	Bank Charges	1,748	9,503
	Communication Expenses	8,879	20,082
	CRIF High Mark	5,900	-
	Conveyance and Travelling Expenses	3,42,976	2,96,034
	Driking Water	-	1,040
	E-Filing Charges	9,800	11,350
	Electricity & Fuel	5,942	8,311
	Food & Accomodation	1,880	-
	Newspaper & Periodicals	685	1,340
	Office Rent	48,000	3,00,000
	Office cost	1,33,088	1,21,459
	Postage & Courier	490	771
	Legal Expenses	8,358	6,800
	Printing & Stationery	3,553	6,253
	Retainer Fees Company Secretary	15,600	29,000
	Repair & Maintenance	2,84,950	1,04,501
	Review Meeting Expenses	3,679	4,547
	Subscription & Membership	5,900	-
	Vehicle Insurance	15,368	18,376
	Interest on Income Tax	-	683
	Vehicle Running Expenses	3,02,715	90,800
	Total	12,78,711	11,11,252



12. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of Financial Statements

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 2013. The financial statements are prepared under the historical cost convention, on an accrual basis of accounting in accordance with the generally accepted accounting principles to the extent applicable and adopted in adherence to the accounting standards and guidance notes issued by the Institute of Chartered Accountants of India (ICAI), except otherwise stated and in compliance to the directions issued from time to time by the Reserve Bank of India for Non-Banking Financial (Non-Deposit Accepting or Holding) Prudential Norms (Reserve Bank) Directions, 2009.

Use of Estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period like provision for employee benefits. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results may vary from these estimates.

Revenue Recognition

Interest on loans is recognized on accrual basis.

Interest charges on loans given to borrowers are recognized on reducing balance method
Loan Processing fees charged by lenders are recognized as expense on upfront basis.

Documentation charges are due at the time of disbursement and is recognized as income on upfront basis

Income on Non-performing Assets is recognized only when realized and any interest accruing on such assets is de-recognized totally by reversing the unrealized interest income already recognized
Interest income on deposits with banks is recognized on a time proportion basis taking into account the rate applicable and the amount outstanding

The company follows the prudential norms for income recognition and asset classification as prescribed by the Reserve Bank of India (RBI) for Non-Deposit taking Non-Banking Finance Companies (NBFC-MFI).

Interest on loans which has been classified as Non-Performing Assets (NPA) is accounted for on cash basis. Income on non-performing assets is recognized only when realized and no Interest which remains overdue for more than six months at the end of the accounting period is treated as income. All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection

Grants and Donations

Capital grants for asset acquisition are recognized as Capital Reserve, under the head 'Reserves & Surplus'. Depreciation on such assets is reduced from the Capital Reserve.



In respect of assets received in kind, the estimated market value as on the date of receipt is recognized as Capital Reserve, under the head 'Reserves & Surplus'. (Refer Notes *infra*) Depreciation on such assets is reduced from the Capital Reserve. The company has not received any grant asset during the current year under review, however the depreciation on such type of assets acquired in the past continues to be provided at the applicable rates and stated appropriately in accordance with prudent accounting principles in the books of accounts of the company.

Fixed Assets

The Gross Block of Fixed Assets is stated at cost of acquisition including any cost attributable to bring the assets to their working condition for their intended use. The Fixed Assets are carried at cost less depreciation.

Depreciation

Depreciation is provided on straight line method at the rates as prescribed under Schedule XIV to Companies Act 2013.

Category of Assets	Rate (%)
Furniture & Fixtures	9.50%
Computer Hardware & Accessories	31.67%
Office Equipments(Generator)	19.00%
Electrical Installation & Equipments	9.50%
Motor Vehicle / Motor cycles, Scooters	11.88%

In respect of additions the depreciation is provided pro-rata from the date assets are put to use. Depreciation on assets received in kind is provided at the respective rates and recognized as other income in the Profit and Loss Account and reduced from the Capital Reserve. Individual Fixed assets costing Rs.5,000/- or less are fully depreciated in the year of purchase.

Investments

Since the company has not made any current investments the need for valuing at lower of cost or net asset value (NAV) does not arise.

Loans & Advances

Loans are classified as standard assets, sub-standard assets and doubtful assets and loss assets in terms of the Non-Banking Financial Companies Norms (Reserve Bank) Directions- 2007 as follows:

Description	31 st March 2021	31 st March 2020
Standard Assets	5,13,19,228	5,05,19,611
Sub-standard Assets	Nil	Nil
Doubtful Assets	Nil	Nil
Loss Assets	Nil	Nil
Total (Rs.)	5,13,19,228	5,05,19,611

[Handwritten Signature]



Provision for Loan Losses

Regarding provision for loan losses the management has adopted a definite policy which is based on RBI provisioning norms

Period	% of Past due
From 91 days up to 120 days	0%
From 120 days up to 180 days	0%
Above 180 days	0%

On the above basis, the company now maintains a total provision of Rs. Nil/- (after considering a write off of Rs. Nil /-) as at the end of 31st March 2021 as against the previous year's provision of Rs. Nil /- (after considering a write off of Rs Nil /-) as at the end of 31st March 2020 respectively, thereby requiring a further provision of (Rs. Nil /-)- (Previous year Rs. Nil/-) now credited to the current year's income and expenditure account of the company.

Provision for Standard Assets

Regarding provision for Standard Assets the management has adopted a definite policy i.e., 1% on Micro Finance Loans and 0.25% on other loans, which is based on Chapter VIII Paragraph 48(ii)(b) of Master Direction- Non Banking Financial Company – Non-Systemically important Non-Deposit taking Company (Reserve Bank) Direction, 2016 dated 1st September 2016.

Provision for Standard Assets to FY 2020-21 (i) Micro Finance Loans of Rs.4,77,79,527 @1% is Rs.4,77,795 and (ii) Other Loans of Rs.35,39,701 @ 0.25% is Rs.8,849 amounting to Rs.4,86,644 which is made on the basis of RBI Guidelines.

Write-off Policy

Loans are written off when the management has exhausted all options for recovery of overdue principal and interest on such loans which are deemed bad and irrecoverable.

The management after exercising all options to recover the chronically bad loans, for which provisions were already made during the previous years, has considered a write-off Rs.nil/- (Previous year Rs.nil/-) as bad debts against the current years income and expenditure account of the Company.

Employee Benefit

In respect of defined contribution schemes, contributions to Employees Provident Fund and Family Pension Fund and Employees State Insurance Schemes are accounted on actual liability basis when becoming due and would be paid to statutory authorities, within the prescribed time.

Employees were also trained on Team Building, Strategic planning and client protection policy. The senior branch staff were trained on Community assessment program. Field employees are frequently trained on new products and processes.

Provisions for Contingent Liabilities and Contingent Assets

Provisions are recognized only when the company has present legal or constructive obligations as a result of past events for which it is probable that a reliable estimate can be made for the amount of the obligation requiring an outflow of economic costs to settle the transaction. A contingent liability is created as mentioned in 1.8.13

Taxes on Income

Income Tax is computed in accordance with Accounting Standard-22(AS-22)'Accounting for Taxes on Income'. Tax expenses are accrued in the same period as the revenue and expenses to which they relate.



13. NOTES FORMING PARTS OF ACCOUNTS

Business Operations

The Company is primarily engaged in Micro Finance and Developmental Services directed to the ultimate benefit of poor women (Organised in the form of Self-help Groups) for enhancement of their livelihoods in a financially stable manner and provide financial support to these women Self-help groups through Community based Mutual Benefit Trusts constituted by such groups.

The Self-help Group Mutual Benefit Trusts hold 100% in the equity paid up capital of the Company

The Company is a non-deposit taking Non-Banking Finance Company (NBFC-ND). The Company has received a Certificate of Registration vide No: B-07.00520 dated 15th November 2000 from the Reserve Bank of India to carry on the business of Non-Banking Financial institution without accepting deposits. The Company has subsequently converted to NBFC-MFI with effect from 13th January 2018.

Company's operations cover both urban and rural Tamil Nadu.

The Company also undertakes Financial Literacy, Business Skills Training and women empowerment programmes towards a holistic transformation of the communities it serves.

SEGMENT INFORMATION

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

Operating Activity Details

Particulars	2020-21	2019-20
Loan Disbursements - MF loan (In Rs.)	39,668,786	45,161,993
Loan Disbursements - Bulk loan (In Rs.)		
No. of groups given loans -New	21	33
No. of groups given loans – Re-loaned	486	468
No. of groups given loans -Total	507	501
No. of client borrowers -New	147	231
No. of client borrowers – Re-loaned	3,402	3,332
No. of client borrowers -Total	3,549	3,563
Average. Per capita loan size (In Rs.)	11,166	13,207
Average. Loan size per SHG (In Rs.)	78,200	92,500
Active borrowers at end of the year (loans)	542	531
Active clients at end of the year (head count)	3,794	3,717
No. of members enrolled (Incl. pending orientation)	16,890	16,890
On time repayment ratio (0 days)		
Outstanding portfolio	47,779,527	47,056,910
PAR > 30 days...	3,859,160	3,764,550
PAR > 90 days...		
Total staff (strength)	16	16
Total CROs		



LONG-TERM & SHORT-TERM LOANS AND ADVANCES

Loans to SHG (outstanding)

S. No.	Federation	31-Mar-21			31-Mar-20		
		No. of Group	Long Term	Short Term	No. of Group	Long Term	Short Term
1	Palma Mahalir Suyauthavikuzhu Koottamaippu	369		22,955,641	369		22,902,420
2	Palma Thozhilalar Peravai	173		24,823,886	162		24,154,490
Total		542		47,779,527	531		47,056,910
<i>Short term < 2 Year, Long term =>2 Years</i>							

Product-wise Classification (Outstanding)

Name of the Product	31-Mar-21				31-Mar-20			
	Long term		Short term		Long term		Short term	
	No. of Loans	Loan O/s	No. of Loans	Loan O/s	No. of Loans	Loan O/s	No. of Loans	Loan O/s
Small Group Loan			542	47,779,527			531	47,056,910
Housing Improvement Loan								
Group Education Loan								
Bulk Loan								
Total			542	47,779,527			531	47,056,910
<i>Short term < 2 Year, Long term =>2 Years</i>								

Analysis of Portfolio at Risk:

Particulars	Portfolio at risk			
	31-Mar-21		31-Mar-20	
	No. of Loans	Loan O/s	No. of Loans	Loan O/s
Current	389	34,366,769	381	33,835,938
1-30 days late	109	9,579,564	107	9,442,588
31-60 days late	37	3,193,194	36	3,147,530
61-90 days late	7	640,000	7	630,854
Sub Total	542	47,779,527	531	47,056,910
91-120 days late				
> 120 days late				
Total	542	47,779,527	531	47,056,910

[Handwritten Signature]



Short Term Loans and Advances

Particulars	31-Mar-21	31-Mar-20
Micro Finance Loans recoverable within 12 months		
PEMBA Members Loan		-
Matram Members Loan	24,803,886	24,154,490
Nava Vikas Loan	1,069,876	6,784,006
SHG Members Loan	21,905,765	16,118,414
Of the above:		
- Considered Good	47,779,527	47,056,910
- Sub - standard Receivables		
- Doubtful Receivables		
- Loss Assets		
TOTAL	47,779,527	47,056,910

LOANS (UNSECURED) (refer Note 6 for related party disclosures as per AS-18)

Sl. No	Name of Borrower/ Members	Amount availed as on		Balance outstanding as on 31.03.2021	Rate of Interest	Repayment period	Security Details
		31.03.2020	31.03.2021				
1	Palma Mahalir Suyauthavikuzhu Koottamaippu		-		9.20%	12Months	Membership
2	Palma Thozhilalar Peravai				12%	12Months	Membership
TOTAL			-	-			

Related Party Transactions

Nature of Relationship	Name of the Party	
	31 st March 2021	31 st March 2020
Key Management Personnel are Interested	S.Anbaian (Managing Director) & R.Jayakumari (Director)	S.Anbaian (Managing Director) R.Jayakumari (Director)

Transactions with Related Parties

Nature of Transactions	Related Party	For the year ended			
		31.03.2021		31.03.2020	
		Dr	Cr	Dr	Cr
Trade Receivables		-			
Trade Receivables		-			



Supplementary Information: Audit Fees

Particulars	For the year ended 31.03.2021 (in Rs.)	For the year ended 31.03.2020 (in Rs.)
Statutory Audit	76,700	76,700
Tax Audit		
Others		
Total	76,700	76,700

Notes: *includes GST @ 18%

Miscellaneous:

- (i) No amount is due to any Small Scale Industrial undertaking by the Company
- (ii) Balance Sheet abstract and Company's general business profile, pursuant to Part IV to Schedule VI is separately attached.
- (iii) Additional information pursuant to paragraph 4-C of the Companies Act 2013. None other than stated above
- (iv) Previous year figures have been regrouped and rearranged where ever necessary.

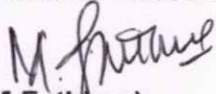


PALMA DEVELOPMENT FINANCE PRIVATE LIMITED
Notes on Accounts for the Year ended March 31, 2021

**Balance Sheet abstract and Company's general business profile as per Part IV of
Schedule VI to the Companies Act, 2013**

I Registration details		
Registration no.	U65999TN1990PTC104347	
Balance Sheet date	31.03.2021	
State code	18	
II Capital raised during the year		
		Rs. 000
Public issue	Nil	
Rights issue	Nil	
Bonus issue	Nil	
Private placement	Nil	
III Position of mobilisation and deployment of funds		
		Rs. 000
Total liabilities	52,410.75	
Total assets	52,410.75	
Sources of funds		
Paid up capital	26,282.50	
Reserves and surplus	24,374.47	
Secured Loans	Nil	
Unsecured loans	Nil	
Application of funds		
Net fixed assets	684.84	
Investments	Nil	
Deferred tax asset (Net)	72.75	
Net current assets	49,899.37	
IV Performance of company		
		Rs. 000
Turnover (including Other Income)	3,205.34	
Total expenditure	3,109.09	
Profit / (Loss) before tax	96.25	
Profit / (Loss) after tax	71.22	
Earnings per share (Rs.)	0.27	
Dividend rate (%) (Final)	Nil	
V Generic names of three principal products / services of company (as per monetary terms)		
Product Description	Item Code No.	(ITC Code)
Micro Finance Services		

For. **M.FATHIMA B.COM., FCA**
Chartered Accountant


(M.Fathima)

Regn. No: **145624**

UDIN: **21145624AAAAFT2358**





Director



Director

Place : Madurai

Date : 26-11-2021