

**Note 20****A. General Information**

The main business of the company is to carry on chitty business which is classified by Reserve Bank of India as miscellaneous non banking finance company. Chitty business is a mutual benefit scheme by a group of subscribers for different periods with different denominations of chitty subscription. Each chitty is having different schemes with separate rules. Company is operating chits from branches where Chitty Act are not applicable. However the applicability of Chit Fund Act 1982 in Kerala on the basis of the Hon'ble Supreme Court Judgement delivered on 08.05.2012 has no impact, as such the implementation of the enactment shall come into force only for chitties start from 30.04.2012 and thereafter company has started kuries as per provisions of Central Chit Fund Act.

**B. Accounting policies**

Significant accounting policies adopted in the preparation and presentation of accounts are as under:

**A. Basis of Accounting:**

The financial statements have been prepared in accordance with the historical cost convention on an accrual basis, and in compliance with the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013, to the extent applicable

**B. Property, Plant and Equipment and intangible assets (AS 10):**

Plant and Equipments other than property have been stated at historical cost less depreciation as per Companies Act 2013. Properties are stated at historical cost. Company has no intangible asset.

. The Company has the following class of fixed assets.

Asset	Useful Life
Land	NA
Building	30 Yrs
Furniture & Fittings	15 Yrs
Computer & Accessories	3 Yrs
Plant & Machinery	15 Yrs

**C. Depreciation (AS 10):**

Depreciation on Plant and Equipment have been provided on written down value method at the rates computed based on useful lives specified in Part C and residual value specified in Part A of Schedule II of Companies Act, 2013.

**D. Inventories (AS 2)**

The company does not have any stock or stores.

**E. Recognition of Income & Expenditure (AS 9):**

Items of Income and Expenditure are recognized on accrual basis, however the company is engaged in kuri business the accepted accounting practice consistently followed by the company are as follows:

- Interest and discount for defaulting kuri installments are recognized as income as and when the kuri installments are collected as per scheme of conduct of kuries.
- Interest on suit filed or decreed accounts are recognized as income on realization of kuri amount receivable.
- Profits on terminated kuries are recognized as income on realization of all kuri amount receivable.
- Foreman's commission is recognized as income on the date the Kuri amount is paid to the customer

**F. Contingencies and Events occurred after Balance Sheet date (AS 4):**

There are no contingencies and events of material nature occurred after balance sheet date which has an effect on the financial statement of the year.

**G. Prior period and Extra -ordinary items (AS 5):**

There are no prior period or extra-ordinary items of a material nature which has to be reported during the year.

**H. Changes in Accounting Policies (AS 5):**

Changes in accounting policies are made only if required by statute, Accounting Standards, or for better presentation.

In current year there are no material changes in the accounting policies followed by the company during the year.

**I. Foreign Exchange transactions (AS 11)**

The company has no dealings in foreign exchange during the year.

**J. Investments (AS 13)**

All the investments are long term investments and are stated at lower of cost or market price on individual investment basis.

**K. Employee Benefits (AS 15):**

Short term employment benefits are recognized as an expense as and when the liability accrues. The Company currently provides "Salary" and "Bonus" as Short term employment benefit. The Company recognizes its liability towards Defined Benefit Plan based on the status of its actual liability as on date of the financial statements.

**L. Uses of estimates**

The preparation of Standalone Financial Statements requires management to make certain estimate and assumption that effect the amount reported in the Standalone Financial Statements and notes there to difference between actual and estimates are recognized in the period in which they materialize.

**M. Provision for Taxation & Deferred Tax (AS 22)**

Provision for taxation is made on the basis of the estimated tax liability with adjustment for deterred tax in terms of accounting standard 22 issued by the Institute of Chartered Accountants of India. Deferred tax assets or liabilities are based on temporary differences between the value of assets and liabilities recorded in the Standalone Financial Statements and those used for Income Tax purposes. Tax rates applicable to future periods are used to calculate year-end Deferred Tax Assets or Liabilities. Deferred Tax liability are recognized only to the extent that there is virtual certainty of realization. Other Deferred Tax liability are recognized and carried forward to the extent that there is reasonable certainty of realization.

**N. Related Party Transactions (AS 18)**

**Disclosure of Related Party Transactions:** In accordance with AS 18 - Related Party Disclosures, the company discloses all transactions with related parties, whether or not these transactions are conducted at arm's length. All transactions with related parties, including sales, purchases, and balances, are disclosed in the financial statements as required by AS 18. The details of Related party transaction are as follows;

Sl No.	Name of Person	Nature of Transaction	Relation	Amount
1	Pyloth Paul	Travelling Allowance	Director	15000
2	C.J.Francis	Travelling Allowance	Director	16500
3	P.M.Thomas	Travelling Allowance	Director	13500
4	Kurian F Manavalan	Travelling Allowance	Director	13500
5	Chackochan Chandy	Travelling Allowance	Director	12000
6	Sony Thomas	Travelling Allowance	Director	13500
7	Tony Joe Pulikan	Travelling Allowance	Director	12000
8	Cyril Antony	Travelling Allowance	Director	4500
9	Sebastin Joseph	Travelling Allowance	Director	13500
10	Annamma Sony	Kuri amount received by company as installment	Director's Wife	12756
11	P.M.Thomas	Kuri amount received by company as installment	Director	75132
12	Joseph Chemmanur	Kuri amount received by company as installment	Director's Son	16089
13	Antony Chemmanur	Kuri amount received by company as installment	Director's Son	16089
14	P.M.Thomas	Kuri amount paid	Director	314850

#### O. Impairment of Assets

The company assesses at each balance sheet date whether there is any indication of impairment of assets. If such an indication exists and the value of the assets is less than the carrying amount, provision is made for impairment. During the year, no provision is made towards impairment of assets.

#### Additional Information To The Balance Sheet As Required By The Schedule III Of The Companies Act, 2013

- a) The company does not have any trade payable/trade receivables since the main business of the company is to carry on chitty business and the company is classified by Reserve Bank of India as miscellaneous non-banking financial company.
- b) The company is a Standalone Company and not a Subsidiary, Associate or Joint Venture of any Company.
- c) The company is not a Small and Medium sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies (Accounting Standards) Rules 2021. Accordingly, the Company has complied with all the Accounting Standards as applicable.
- d) Number of non-resident shareholders is Nil and dividend paid to them is Nil.

#### e) Chitty Liabilities / Assets:

The main business of the company is to carry on chitty business which is classified by Reserve Bank of India as miscellaneous non banking finance company. Chitty business is a mutual benefit scheme by a group of subscribers for different periods with different denominations of chitty subscription. Each chitty is having different schemes with separate rules. Company is operating chits from branches where Chitty Act are not applicable. However the applicability of Chit Fund Act 1982 in Kerala on the basis of the Hon'ble Supreme Court Judgement delivered on 08.05.2012 has no impact, as such the implementation of the enactment shall come into force only for chitties start from 30.04.2012 and thereafter company has started kuries as per provisions of Central Chit Fund Act 1982. Chit assets and liabilities are classified as current and non-current assets and liabilities. Chit assets and liabilities of terminated kuries and kuries to be terminated within one year after balance sheet date are classified as current assets and liabilities. Chit assets and liabilities of other kuries are classified as non-current assets and liabilities.

**f) Additional Regulatory Information:**

- i.** The title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii.** The company has not revalued its Property, Plant and Equipment during the year.
- iii.** The company has not granted any loans, secured or unsecured, non-current or current to companies, firms, LLP, partnerships, promoters, directors, Key Managerial Persons or other parties covered in the Register maintained under section 189 of the Companies Act, 2013.
- iv.** There are no capital-work-in-progress for the company.
- v.** There are no intangible assets and intangible asset under development for the company.
- vi.** There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- vii.** The company has not been sanctioned any borrowings from banks or financial institutions on the basis of security of current assets at any point of time during the year.
- viii.** The company is not declared as wilful defaulter by any bank or financial Institution or other lenders.
- ix.** The company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.
- x.** Company has registered all the active charges with the Registrar of Companies.
- xi.** The company do not have any parent company and accordingly, compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable for the year under consideration.
- xii.** Contingent Liabilities not provided for Nil Nil
- xiii) i.** Expenditure in foreign currency Nil Nil
- ii.** Earnings in foreign currency Nil Nil
- iii.** Dividend to non-residential shareholders Nil Nil
- iv.** Value of imports Nil Nil

xiv) Ratios to be disclosed as per Part-II, Section 3, Sub-section (i):

Ratios	2024-25	2023-24	% Change in Ratio	Explanation if change Exceeds 25%
a) Current Ratio - Current assets / Current liabilities	2.22	3.90	-43.10%	The Significant decline in Current ratio is on account of reclassification of Chitty asset & Chitty Liabilities
b) Debt-Equity Ratio	Not Applicable			
c) Debt Service Coverage Ratio	NA	NA	0	
d) Return on Equity ratio – Profit after tax / Owners equity	15.72	7.85	100.20%	The significant rise in Return on Equity ratio is on account of the significant rise in the Net Profit after Tax during the current financial year
e) Inventory Turnover ratio	Not Applicable			
f) Trade receivables Turnover ratio	Not Applicable			
g) Trade payables Turnover ratio	Not Applicable			
h) Net Capital Turnover ratio – Total revenue / shareholders fund	42.12	34.77	21.16%	Not applicable
i) Net Profit Ratio – Net profit / turnover	37.31	22.58	65.24%	The significant rise in Net Profit Ratio is on account of rise in the Revenue from operations and a significant rise in the net profit
j) Return on Capital Employed – Profit before tax / capital employed	19.73	10.99	79.48%	The rise in Return on Capital employed is on account of rise in EBIT during the year
k) Return on Investment – Income on investment / total investment	Not Applicable			

xv) There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

xvi)(1) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- (2) The company has also not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Additional Information To The Statement of Profit And Loss As Required By The Schedule III Of The Companies Act, 2013:**

- a) Value of imports calculated on C.I.F basis by the company during the financial year in respect of
- |                            |   |     |
|----------------------------|---|-----|
| Raw Materials              | : | NIL |
| Components and Spare Parts | : | NIL |
| Capital Goods              | : | NIL |
- b) Expenditure in foreign currency during the financial year on account of Royalty, Know how, professional and consulting fees, interest and other matters. :

NIL

c) Total value if all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total components. :

NIL

d) The amount remitted during the year in foreign exchange currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related. :

NIL

e) Earning in foreign exchange classified under the following heads namely :

Export of goods calculated on F.O.B basis	:	NIL
Know how, professional and consultation fees	:	NIL
Interest and Dividend	:	NIL
Other Income, by way of Website Development & software updating and reseller license fees	:	NIL

f) The company does not have any unbilled /undisclosed incomes nor any transactions not recorded in the books of accounts.

g) The company is not covered under section 135 of the Companies Act, 2013 (Corporate Social Responsibility).

h) The Company did not trade or invest in Crypto Currency or virtual currency during the financial year.

i) None of the employees are drawing remuneration in excess of the amount specified under the Companies (Particulars to Employees) Rules 1975.

- j) Notes 1 to 15 form parts of the Balance Sheet as at 31st March, 2025 and Notes 16 to 19 form part of the Statement of Profit or Loss for the period ended on that date.
- k) Previous year figures are re-arranged or re-grouped wherever found necessary.
- l) Figures are rounded to nearest hundred.

**DIRECTORS**

- |  |  |
|--|--|
| 1. Sri Pyloth Paul<br>(DIN 01820094)       | 2. Sri Francis C J<br>(DIN 01086553)       |
| 3. Sri Thomas P M<br>(DIN 00451259)        | 4. Dr Kurian F Manavalan<br>(DIN 00596592) |
| 5. Sri Chackochan Chandy<br>(DIN 01238047) | 6. Sri Sony Thomas<br>(DIN 03611216)       |
| 7. Sri Tony Joe Pulikkan<br>(DIN 00001511) | 8. Sri Cyril Antony<br>(DIN 08050440)      |
| 9. Sri Sebastian Joseph<br>(DIN 01656022)  |  |

Thrissur / 21.06.2025

**As per our report of even date**

**UDIN 25012056BMFXKF2195**