

# *P. Kothari & Company*

**CHARTERED ACCOUNTANTS**

**• KOLKATA • MUMBAI • NEW DELHI**

INDEPENDENT AUDITOR'S REPORT

To,

The Members of

**WESTERN INDIA TRANSPORT FINANCE COMPANY PRIVATE LIMITED**

## **Report on the Financial Statements**

We have audited the accompanying financial statements of Western India Transport Finance Company Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit & Loss for the year then ended and the cash flow statement together with a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility 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 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

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

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 there under. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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





# *R. Kothari & Company*

## CHARTERED ACCOUNTANTS

• KOLKATA • MUMBAI • NEW DELHI

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- in the case of the cash flow statement, of the cash flows for the year ended on that date.

### Emphasis of Matter

Without qualifying our report, we draw attention to note no 28 regarding change in the depreciation method from WDV basis to SLM basis that has consequential impact on the reported profit for the year.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- 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.
- 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.
- The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- In our opinion, the financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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:
  - The Company does not have any pending litigations which would impact its financial position.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **R Kothari & Co.**

Chartered Accountants

ICAI Firm Registration Number: 307069E

*Sunita Bhandari*

**Sunita Bhandari**

Partner

Membership Number: 55143

Place of Signature: Mumbai

Date: 15<sup>th</sup> June 2015





# R. Kothari & Company

## CHARTERED ACCOUNTANTS

• KOLKATA • MUMBAI • NEW DELHI

### ANNEXURE

With reference to the annexure referred to in Paragraph 1 of "Report on Other Legal and Regulatory Requirements" of Our Report of even date of the Auditors' Report to the Members of **WESTERN INDIA TRANSPORT FINANCE COMPANY PRIVATE LIMITED** on the financial statements for the year ended 31<sup>st</sup> March, 2015, On the basis of such checks as we considered appropriate and accordingly to the information and explanations given to us during the course of our audit, we report the following:

- 1) (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
(ii) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been reported on such verification.
- 2) Since the company does not have inventory, clause (ii) of paragraph 3 of the Order is not applicable.
- 3) a. The Company has granted secured loans to two parties covered in the register maintained under Section 189 of the Act. The maximum amount outstanding during the year is ₹ 66,52,767/- and the year-end balance is ₹ 26,74,024/-.  
b. In our opinion, the rate of interest and other terms and conditions of such loans are not, *prima facie*, prejudicial to the interest of the Company.  
c. In respect of loans granted, receipt of the principal amount and interest is regular.  
d. There is no overdue amount in respect of loans granted to such firms or other parties.  
e. The Company has received unsecured loans from two parties covered in the register maintained under Section 189 of the Act. The maximum amount outstanding during the year is ₹ 2,50,00,000/- and the year-end balance is ₹ 2,50,00,000/-.  
f. In our opinion, the rate of interest and other terms and conditions of loans taken by the Company are not, *prima facie*, prejudicial to the interest of the Company.  
g. In respect of loans taken, payment of the principal amount and interest is regular.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchases of fixed assets and for the sale of goods and services. During the course of our audit, no major persistent weakness has been noticed in the internal controls.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under are not applicable.
- 6) The company is not covered under section 148 (1) of the Companies Act, 2013 in respect of maintenance of cost records. . Hence, clause (vi) of paragraph 3 of the said order is not applicable to the company.
- 7) According to the information and explanation given to us, in respect of statutory dues:  
(i) the Company is regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Service Tax and other statutory dues applicable to it with the appropriate authorities. However, the provisions of the, Investor Education & Protection Fund, Employees State Insurance, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues are not applicable.  
(ii) there were no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax and other statutory dues were outstanding at the year-end for a period of more than six months from the date they became payable.  
(iii) no amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under .



# *R. Kothari & Company*

## CHARTERED ACCOUNTANTS

• KOLKATA • MUMBAI • NEW DELHI

- 8) The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- 9) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions, banks or debenture holders.
- 10) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 3 (x) said order are not applicable to the Company.
- 11) In our opinion and according to the information and explanations given to us, the term loan has been applied for the purpose for which they were raised.
- 12) In our opinion and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For **R Kothari & Co.**

*Chartered Accountants*

ICAI Firm Registration Number: 307069E

*Sunita Bhandari*

**Sunita Bhandari**

*Partner*

Membership Number: 55143

Place of Signature: Mumbai

Date: 15<sup>th</sup> June 2015





**Balance Sheet as at 31 March 2015**

Particulars	Note No.	As at 31	As at 31
		March 2015	March 2014
		₹	₹
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	3	23,329,990	14,996,660
(b) Reserves and surplus	4	128,313,476	76,627,066
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-current liabilities</b>			
(a) Long-term borrowings	5	39,594,286	25,000,000
(b) Deferred tax liabilities (net)	6	666,761	-
(c) Other long-term liabilities		-	-
(d) Long-term provisions	7	1,360,844	543,113
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	8	68,226,533	64,440,747
(b) Trade payables	9	1,806,971	155,931
(c) Other current liabilities	10	54,348,143	812,699
(d) Short-term provisions	11	1,019,986	341,857
<b>TOTAL</b>		<b>318,666,990</b>	<b>182,918,072</b>
<b>II ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	1,843,068	934,524
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets	6	-	80,553
(d) Long-term loans and advances	13	163,097,305	100,600,488
(e) Other non-current assets	14	2,460,823	-
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Trade Receivables	15	7,339,968	1,033,765
(c) Cash and cash equivalents	16	10,227,921	2,376,460
(d) Short-term loans and advances	17	125,970,975	75,961,151
(e) Other current assets	18	7,726,930	1,931,131
<b>TOTAL</b>		<b>318,666,990</b>	<b>182,918,072</b>

The notes are an integral part of these financial statements.  
As per our report of even date

**For R Kothari & Company**  
**Chartered Accountants**  
ICAI Firm Registration No. FRN : 307069E

*Sunita Bhandari*

**Sunita Bhandari**  
**Partner**  
Membership No. 55143  
Place : Mumbai  
Date : 15<sup>th</sup> June, 2015



**For & on behalf of the Board**

*Dilip Swadi*      *Nikhil Swadi*

**Dilip Swadi**  
**Director**  
DIN: 00320495

**Nikhil Swadi**  
**Director**  
DIN: 03261080

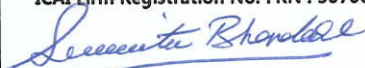
**Statement of Profit & Loss for the year ended 31st March 2015**

Particulars	Note No.	For the year ended	For the year ended	31
		31 March, 2015	March, 2014	
		₹	₹	
<b>I Revenue from Operations</b>	19	50,543,014	26,695,874	
<b>II Other Income</b>	20	100,774	-	
<b>III TOTAL</b>		<b>50,643,788</b>	<b>26,695,874</b>	
<b>IV Expenditure</b>				
Employee benefit expenses	21	8,128,445	5,494,147	
Finance costs	22	18,570,904	6,855,583	
Depreciation and amortisation expense	12	261,489	160,298	
Other expenses	23	5,752,002	3,772,490	
Provisions & Write Offs	24	3,036,233	1,504,508	
<b>TOTAL</b>		<b>35,749,073</b>	<b>17,787,026</b>	
V Profit / (loss) before exceptional and extraordinary items and tax		14,894,715	8,908,848	
VI Exceptional items		-	-	
VII Profit / (loss) before extraordinary items and tax		14,894,715	8,908,848	
VIII Extraordinary items		-	-	
<b>IX Profit / (loss) before tax</b>		<b>14,894,715</b>	<b>8,908,848</b>	
X Profit / (loss) for the period from continuing operations before tax		14,894,715	8,908,848	
XI Income tax expense of continuing operations				
Current tax		4,055,000	2,850,000	
Deferred tax liability/ (asset)		747,314	(31,276)	
Short provision of income tax for earlier years		72,640	-	
Profit / (loss) for the period from continuing operations after tax		10,019,761	6,090,124	
XII Profit / (loss) for the period from discontinuing operations before tax		-	-	
XIII Income tax expense of discontinuing operations				
Profit / (loss) for the period from discontinuing operations after tax		-	-	
<b>XIV Profit / (loss) for the period</b>		<b>10,019,761</b>	<b>6,090,124</b>	
<b>XV Earnings per share (nominal value of ₹ 10 per share)</b>				
Basic		6.51	4.46	
Diluted		6.51	4.46	

The notes are an integral part of these financial statements.

As per our report of even date

**For R Kothari & Company**  
Chartered Accountants  
ICAI Firm Registration No. FRN : 307069E



**Sunita Bhandari**  
Partner  
Membership No. 55143  
Place : Mumbai  
Date : 15<sup>th</sup> June, 2015



**For & on behalf of the Board**



**Dilip Swadi**  
Director  
DIN: 00320495

**Nikhil Swadi**  
Director  
DIN: 03261080



Particulars	As at 31	As at 31
	March, 2015	March, 2014
	₹	₹
<b>A. Cash flow from operating activities</b>		
<b>Net Profit / (Loss) before extraordinary items and tax</b>	14,894,715	8,908,848
<b>Adjustments for:</b>		
Depreciation for the year	261,489	160,298
Finance costs	18,570,904	6,855,583
Provision for employee benefits	181,068	102,926.00
Provision for loans and advances	636,663	217,466
<b>Operating profit / (loss) before working capital changes</b>	<b>34,544,838</b>	<b>16,245,120</b>
<b>Adjustments for:</b>		
Decrease / (Increase) long term loans and advances	(62,512,674)	(42,229,977)
Decrease / (Increase) in current investments	-	-
Decrease / (Increase) in short term loans & advances	(56,316,027)	(46,155,759)
Decrease / (Increase) in other current assets	(5,795,799)	(1,064,069)
Increase / (Decrease) in Current Liabilities	58,972,270	65,102,085
<b>Cash Flow from Operating Activities</b>	<b>-31,107,392</b>	<b>(8,102,599)</b>
Less: Finance Cost	18,570,904	6,855,583
Less: Taxes Paid	3,433,653	2,689,144
<b>Net Cash Flow from Operating Activities</b>	<b>-53,111,949</b>	<b>(17,647,326)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Decrease / (Increase) in fixed assets	(1,170,034)	(864,285)
Decrease / (Increase) in Other Non-Current Assets	(2,460,823)	
<b>Net cash used in Investing Activities</b>	<b>(3,630,856)</b>	<b>(864,285)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	49,999,980	16,000,020
Increase / (Decrease) in Long term borrowings	14,594,286	-
<b>Net cash used from Financing Activities</b>	<b>64,594,266</b>	<b>16,000,020</b>
<b>Net (Decrease) / Increase in Cash &amp; Cash equivalents</b>	<b>7,851,461</b>	<b>(2,511,590)</b>
Cash & Cash equivalent at the end of the financial year	10,227,921	2,376,460
Less:		
Cash & Cash equivalent at the beginning of the financial year	2,376,460	4,888,050
<b>Net (Decrease) / Increase in cash &amp; cash equivalents</b>	<b>7,851,461</b>	<b>(2,511,590)</b>
<b>Cash &amp; Cash Equivalent Comprise :</b>		
<b>Cash &amp; Bank Balances</b>	10,227,921	2,376,460

The notes are an integral part of these financial statements.

As per our report of even date

**For R Kothari & Company**  
**Chartered Accountants**  
 ICAI Firm Registration No. FRN : 307069E

*Sunita Bhandari*

**Sunita Bhandari**  
 Partner  
 Membership No. 55143  
 Place : Mumbai  
 Date : 15<sup>th</sup> June, 2015



**For & on behalf of the Board**

*Dilip Swadi*      *Nikhil Swadi*

**Dilip Swadi**  
 Director  
 DIN: 00320495

**Nikhil Swadi**  
 Director  
 DIN: 03261080

## 1. Corporate Information

Western India Transport Finance Company Private Ltd. (the Company) is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956 and consequently is registered as a Non-Banking Financial Institution (non-deposit taking) with Reserve Bank of India (RBI). The company provides finance for commercial vehicles.

## 2. Significant Accounting policies

### A. Basis for Preparation of Accounts:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 2013 and to comply with the Accounting Standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014. The accounting policies adopted in the presentation of the financial statements are consistent with those followed in the previous year.

All assets & liabilities have been classified as current & non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets & liabilities.

Further, the Company follows prudential norms for Income Recognition and provisioning for non-performing assets as prescribed by the Reserve Bank of India for Non-Banking Financial Companies.

### B. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statement are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

### C. Revenue Recognition:

#### 1. General

The Company recognizes income on accrual basis. However where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.





**2. Income from Loan**

Interest income is accrued over the period of the loan. However, where a loan is classified as a non-performing asset, interest thereon is recognized only when it is actually received. This is as per the prudential norms prescribed by RBI, to the extent applicable to the Company as a NBFC and guidelines framed by the management.

**3. Income from Portfolio purchase**

Income from portfolio purchase is accounted on accrual basis of accounting at the end of every month to the extent of certainty in ultimate collection of the revenue.

**4. Income from Investments**

- a) Dividend from investment is accounted for as income when the right to receive dividend is established.
- b) Interest income is accounted on accrual basis.

**D. Employee benefits:****a. Short term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as related service is rendered by employee.

**b. Post employment benefits****(i) Defined Benefit Plan**

Gratuity - Company's liabilities towards gratuity is determined on actuarial basis using the projected unit credit method, which consider each period of service as giving rise to an additional unit of benefit and measures each unit separately to build up the final obligation. Past services are recognized on straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation. The gratuity provision made by the company on the basis of actuarial valuation. The same has not been funded by the company during the year.

Leave Encashment -Privilege leave entitlements are recognised as a liability, in the calendar year of rendering of service, as per the rules of the Company. Accumulated leave can be availed and/or encashed at any time during the tenure of employment after completion of 2 years of continuous service. Provision for Company's liabilities towards Leave Encashment is determined on actuarial basis. The same has not been funded by the company.



**E. Provisions for Standard/Non-Performing Assets and Doubtful Debts:**

The Company provides an allowance for loan receivables based on the prudential norms issued by the RBI relating to income recognition, asset classification and provisioning for non-performing assets. In addition the Company provides for Standard Assets as required by the directions issued by the RBI.

**F. Borrowing Costs:**

The Company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs and ancillary charges are recognized as an expense in the period in which it is incurred.

**G. Fixed Assets:**

Fixed assets are stated at cost of acquisition (including incidental expenses), less accumulated depreciation.

**H. Depreciation:**

Depreciation on tangible fixed assets has been provided on straight line method (SLM) as per the useful life prescribed in Schedule II to the Companies Act, 2013 except that individual items of assets costing upto ₹ 5,000 are fully depreciated in the year of acquisition.

**I. Impairment of Assets:**

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. 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 risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment. The reversal of impairment is recognised in statement of profit and loss account, unless the same is carried at revalued amount and treated as revaluation reserve.

**J. Investments:**

In terms of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, Investments held as long-term investments are stated at cost comprising of acquisition and incidental expenses less permanent diminution in value, if any. Investments other than long-term investments are classified as current investments and valued at cost or fair value whichever is less.





**K. Loans:**

Loans are stated at the amount advanced including finance charges accrued and expenses recoverable, as reduced by the amounts received up to the balance sheet date and loans securitised.

**L. Taxation:**

1. Provision for tax is made for the current accounting period (reporting period) on the basis of the taxable profits computed in accordance with the Income Tax Act, 1961.

2. Deferred tax resulting from timing difference between book profits and taxable profits are accounted for to the extent deferred tax liabilities are expected to crystallize with reasonable certainty. However, in case of deferred tax assets (representing unabsorbed depreciation or carried forward losses) are recognized, if and only if there is virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realized. Deferred tax is recognized on adjustments to revenue reserves to the extent the adjustments are allowable as deductions in determination of taxable income and they would reverse out in future periods.

3. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

**M. Earnings per Share:**

The earnings considered in ascertaining the Company's EPS comprise of the net profit after tax, as per Accounting Standard 20 on "Earnings Per Share", issued by the Institute of Chartered Accountants of India. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

**N. Provisions and contingent liability:**

Provisions are recognized when the Company has a present obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.



Notes forming part of the financial statements

**3. Share Capital**

<b>a) Authorised, Issued, Subscribed and Paid-up Share Capital</b>				
Particulars	31-Mar-15		31-Mar-14	
	shares	₹	shares	₹
<b>(a) Authorised</b>				
Equity shares of ₹ 10 each	4,000,000	40,000,000	2,000,000	20,000,000
<b>(b) Issued, Subscribed and Paid-up</b>				
Equity Share Capital				
Equity shares of ₹ 10 each	2,332,999	23,329,990	1,499,666	14,996,660
<b>(b) Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>				
Particulars	31-Mar-15		31-Mar-14	
	shares	₹	shares	₹
<b>Equity Shares</b>				
At the commencement of the period	1,499,666	14,996,660	1,232,999	12,329,990
Shares issued on exercise of employee stock options	-	-	-	-
Shares allotted during the year.	833,333	8,333,330	266,667	2,666,670
At the end of the period	2,332,999	23,329,990	1,499,666	14,996,660
<b>(c) Details of shareholders holding more than 5% shares in the equity shares of the company</b>				
Name of Shareholder	31-Mar-15		31-Mar-14	
	Numbers	%age	Numbers	%age
Nikhil Swadi	883,333	38%	50,000	3%
Dilip Swadi	408,666	18%	408,666	27%
Shirley Swadi	239,000	10%	239,000	16%
Dilip Swadi HUF	802,000	34%	802,000	53%

**(d) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital**

The Company has only one class of Equity Shares having a par value of ₹10/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the unlikely event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.





**Western India Transport Finance Company Private Limited**

Notes forming part of the financial statements

**4. Reserves and surplus**

Particulars	31-Mar-15	31-Mar-14
	₹	₹
<b>Reserve Fund in terms of Section 45—IC(1) of the Reserve Bank of India Act, 1934</b>		
Balance as per the last financial statements	1,826,186	608,161
Add:- Transferred from surplus in statement of profit and loss	2,003,952	1,218,025
Closing Balance	<b>3,830,138</b>	<b>1,826,186</b>
<b>Securities Premium Reserve</b>		
Balance as per the last financial statements	67,503,300	54,169,950
Add:- Additions during the year	41,666,650	13,333,350
Closing balance	<b>109,169,950</b>	<b>67,503,300</b>
<b>Debenture Redemption Reserve</b>		
Balance as per the last financial statements	-	-
Add:- Transfer from statement of profit & loss on account of creation	1,747,133	-
Closing balance	<b>1,747,133</b>	-
<b>Profit &amp; Loss Account</b>		
Balance as per the last financial statements	7,297,580	2,425,480
Add: Profit / (Loss) for the period	10,019,761	6,090,124
Less: Appropriations		
Transfer to Reserve Fund	2,003,952	1,218,025
(in terms of Section 45—IC(1) of the Reserve Bank of India Act, 1934)		
Transfer to debenture redemption reserve	1,747,133	-
Transfer to general reserve	-	-
Proposed dividend	-	-
Balance in the statement of profit and loss	<b>13,566,255</b>	<b>7,297,580</b>
<b>Total</b>	<b>128,313,476</b>	<b>76,627,066</b>



**Notes forming part of the financial statements**

<b>5. Long Term Borrowings</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	₹	₹
<b>Secured Loans and advances from Others</b>		
(i) 15% Redeemable Non-Convertible Debenture *	32,094,286	
(ii) AU Financiers (India) Limited **	7,500,000	
<b>Unsecured Loan and advances</b>		
(i) Loans and advances from related parties ***		25,000,000
<b>Total</b>	<b>39,594,286</b>	<b>25,000,000</b>

\* 15% Redeemable Non-Convertible Debenture:- 15% Redeemable Non-Convertible Debentures of Rs. 5.04 Crores issued to M/s Siddhesh Capital Market Services Pvt Ltd, during the year is repayable in 36 EMI starting from February 2015. The redemption of principal amount of secured non-convertible debentures together with interest there on are secured by way of floating charge on company's movable current assets with a security cover of 110% in favour of the Debenture Trustee M/s GDA Trusteeship Limited.

\*\*AU Financiers (India) Limited:- The Company has been sanctioned a term loan of Rs. 5 Crores and carries an interest rate of 15% p.a. computed on a monthly basis on the outstanding balance. These are secured by hypothecation of specific receivables covered under loan agreement not older than 90 days . The loan arrangement includes personal guarantee of a director. An amount of Rs. 2 crores has been disbursed to the Company as at 31st March, 2015. An amount of Rs. 1.25 Crore that is due within next 12 months is reflected under current liabilities.

\*\*\*Unsecured loan outstanding from directors as at 31st March 2015 due and repayable at the end of 10 months from the balance sheet date and carries an interest rate @ 11% p.a is reflected under current

<b>6. Deferred Tax Liability</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	₹	₹
<b>Deferred tax liabilities</b>		
Depreciation and amortisation	81,178	-
Deferred Revenue Expenditure	1,035,519	-
<b>Deferred tax assets</b>		
On account of timing difference in		
Depreciation and amortisation	-	13,356
Provision for standard and sub-std. assets	356,039	67,197
Provision for Leave encashment	51,896	-
Provision for Gratuity	42,001	-
<b>Deferred tax liability /(assets) (Net)</b>	<b>666,761</b>	<b>(80,553)</b>

<b>7. Long Term Provisions</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	₹	₹
Contingency provision against standard assets	720,804	440,187
Contingency provision against sub-standard assets	356,046	-
Provision for employee benefits	283,994	102,926
<b>Total</b>	<b>1,360,844</b>	<b>543,113</b>





## Notes forming part of the financial statements

<b>8. Short Term Borrowings</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	₹	₹
a) Loans repayable on demand/due within next 12 months from		
(i) BNP Paribas Bank *	40,866,224	44,990,421
(ii) South Indian Bank **	27,360,309	19,450,326
<b>Total</b>	<b>68,226,533</b>	<b>64,440,747</b>

\*BNP Paribas :- The bank has sanctioned a working capital demand loan of Rs. 13 Crores that carry interest rate of NSE MIBOR + 190 bps ranging between 10-11% p.a. computed on a monthly basis on the actual amount utilised and are repayable on demand. These are secured by hypothecation of securities owned & pledged by the directors.

\*\*South Indian Bank :- The bank has sanctioned Rs. 5 Crores cash credit working capital loan that carry interest rate of Base rate + 2.50% p.a (presently 13% p.a.) computed on a monthly basis on the actual amount utilised . These are secured by hypothecation of specific receivables covered under loan agreement not older than ninety days. The loan arrangement includes personal guarantee of directors and collateral security pledged by the directors.

<b>9. Trade Payables</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	₹	₹
Trade payables - dues to small & micro enterprises *	-	-
Trade payables - others	1,806,971	155,931
<b>Total</b>	<b>1,806,971</b>	<b>155,931</b>

\* For dues to micro and small enterprises, refer note 27

<b>10. Other Current Liabilities</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	₹	₹
Current maturities of long term borrowing		
(i) 15% Redeemable Non-Convertible Debenture	16,057,484	-
(ii) AU Financiers (India) Limited	12,500,000	-
(iii) Loans and advances from related parties	25,000,000	-
Interest accrued but not due on borrowings	541,707	591,499
Statutory liabilities payable	246,761	106,360
Outstanding liabilities for expenses	2,191	114,840
<b>Total</b>	<b>54,348,143</b>	<b>812,699</b>

<b>11. Short Term Provisions</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	₹	₹
Provision for taxation (net of taxes paid)	1,019,986	341,857
<b>Total</b>	<b>1,019,986</b>	<b>341,857</b>



## 12. Tangible fixed assets

<i>Particulars</i>	<i>Furniture &amp; fixtures</i>	<i>Office equipment</i>	<i>Computers</i>	<i>Vehicle</i>	<i>Total</i>
	₹	₹	₹	₹	₹
<b>Gross block</b>					
<b>Balance as at 1 April 2011</b>					-
Additions	-	-	79,800	-	<b>79,800</b>
Disposals	-	-	-	-	-
<b>Balance as at 31 March, 2012</b>			79,800	-	<b>79,800</b>
Additions	111,230	45,017	48,675	-	<b>204,922</b>
Disposals	-	-	-	-	-
Balance as at 31 March, 2013	111,230	45,017	128,475	-	<b>284,722</b>
Additions	71,709	105,325	262,251	425,000	<b>864,285</b>
Disposals	-	-	-	-	-
Balance as at 31 March, 2014	182,939	150,342	390,726	425,000	<b>1,149,007</b>
Additions	145,463	392,719	631,852	-	<b>1,170,034</b>
Disposals	-	-	-	-	-
Balance as at 31 March, 2015	328,402	543,060	1,022,578	425,000	<b>2,319,040</b>
<b>Depreciation and impairment losses</b>					
<b>Balance as at 1 April 2011</b>	-	-	-	-	-
Charge for the year	-	-	6,040	-	6,040
Disposals	-	-	-	-	-
<b>Balance as at 31 March, 2012</b>	-	-	6,040	-	<b>6,040</b>
Charge for the year	3,177	2,303	42,664	-	48,145
Disposals	-	-	-	-	-
Balance as at 31 March, 2013	3,177	2,303	48,704	-	<b>54,185</b>
Charge for the year	16,612	25,255	84,664	33,767	<b>160,298</b>
Disposals	-	-	-	-	-
Balance as at 31 March, 2014	19,789	27,558	133,368	33,767	<b>214,483</b>
Charge for the year	16,731	51,790	180,020	50,469	<b>299,010</b>
Charge from Retained Earning	-	-	-	-	-
Reversal of excess depreciation *	8,180	651	14,973	13,718	<b>37,521</b>
Balance as at 31 March, 2015	28,340	78,698	298,416	70,518	<b>475,972</b>
<b>Net block</b>					
<b>As at 31 March 2013</b>	<b>108,053</b>	<b>42,714</b>	<b>79,771</b>	-	<b>230,537</b>
As at 31 March 2014	<b>163,150</b>	<b>122,783</b>	<b>257,358</b>	<b>391,233</b>	<b>934,524</b>
<b>As at 31 March 2015</b>	<b>300,062</b>	<b>464,362</b>	<b>724,162</b>	<b>354,482</b>	<b>1,843,068</b>

\* retrospective effect of change in accounting policy.

Refer Note 28 for changes in depreciation policy





**Notes forming part of the financial statements**

<b>13. Long Term Loans and Advances</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	₹	₹
<u>To related parties</u>		
Hypothecation loans		
(a) Secured, considered good	-	2,674,646
<u>To parties other than related parties</u>		
Hypothecation loans		
(a) Secured, considered good		
Standard	162,864,855	97,784,985
Sub-standard	-	-
(b) Unsecured, considered good	-	-
(c) Doubtful	-	-
Less-Provision for doubtful loans	-	-
<b>Total (A)</b>	<b>162,864,855</b>	<b>100,459,631</b>
Security deposits		
(unsecured and considered good)	232,450	125,000
<b>Total (B)</b>	<b>232,450</b>	<b>125,000</b>
Advance income tax (net of provisions)		
(a) Unsecured, considered good	-	15,857
<b>Total (C)</b>	<b>-</b>	<b>15,857</b>
<b>Total (A+B)</b>	<b>163,097,305</b>	<b>100,600,488</b>

<b>14. Other Non Current Assets</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	₹	₹
Deferred revenue expenditure*	2,460,823	-
<b>Total</b>	<b>2,460,823</b>	<b>-</b>

\* The Company has moved to a new office premises and has deferred the expenses incurred towards interiors & fittings over the lease period of five years.

<b>15. Trade Receivables</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	₹	₹
Unsecured, considered good		
Outstanding for a period more than 6 month from the due date of payment	1,028,770	381,128
Other receivables	6,311,198	652,637
<b>Total</b>	<b>7,339,968</b>	<b>1,033,765</b>



## Notes forming part of the financial statements

16. Cash & cash equivalents	31-Mar-15	31-Mar-14
	₹	₹
Cash in hand (as certified by the management)	1,144,720	541,475
Balances with banks in current accounts	9,083,201	1,834,985
<b>Total</b>	<b>10,227,921</b>	<b>2,376,460</b>

17. Short-term Loans and Advances	31-Mar-15	31-Mar-14
	₹	₹
<u>To related parties</u>		
Hypothecation loans		
(a) Secured, considered good	2,674,024	3,978,121
<u>To parties other than related parties</u>		
Hypothecation loans		
(a) Secured, considered good		
Standard	121,273,509	71,637,245
Sub-standard	1,497,872	
(b) Unsecured, considered good	-	-
(c) Doubtful	-	-
Less-Provision for doubtful loans	-	-
<b>Total (A)</b>	<b>125,445,406</b>	<b>75,615,366</b>
Other loans		
(b) Unsecured, considered good		
Staff advances	282,000	42,137
Other loans & advances	243,569	303,648
<b>Total (B)</b>	<b>525,569</b>	<b>345,785</b>
<b>Total (A+B)</b>	<b>125,970,975</b>	<b>75,961,151</b>

18. Other Current Assets	31-Mar-15	31-Mar-14
	₹	₹
Interest accrued	3,127,386	1,844,917
Reposessed assets *	3,575,482	-
Prepaid expenses	282,060	35,938
Input service tax credit	70,868	50,276
Deferred revenue expenditure	671,133	-
<b>Total</b>	<b>7,726,930</b>	<b>1,931,131</b>

\* provision made on the shortfall in the realisable value against book value of the reposessed assets as per management estimates







## Western India Transport Finance Company Private Limited

### Notes forming part of the financial statements

<b>19. Revenue from operations</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	₹	₹
Interest income from financing activities	46,681,038	24,815,185
Income from processing fees and other charges	3,861,976	1,880,689
		-
<b>Total</b>	<b>50,543,014</b>	<b>26,695,874</b>

<b>20. Other income</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	₹	₹
Misc. income	100,774	-
<b>Total</b>	<b>100,774</b>	<b>-</b>

<b>21. Employee Benefits</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	₹	₹
Salaries, allowances & incentives	6,862,808	4,078,565
Director's remuneration	1,140,000	1,140,000
Staff welfare expenses	-	172,656
Contribution to provident fund & gratuity exps.	125,637	102,926
<b>Total</b>	<b>8,128,445</b>	<b>5,494,147</b>

<b>22. Finance cost</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	₹	₹
<u>Interest charges on</u>		
- non convertible debentures	3,542,892	-
- loans from banks	10,823,790	2,831,458
- loans from institutions & others	2,758,336	2,750,003
Processing fees & other charges	1,445,886	1,274,122
<b>Total</b>	<b>18,570,904</b>	<b>6,855,583</b>





## Western India Transport Finance Company Private Limited

Notes forming part of the financial statements

23. Other expenses	31-Mar-15	31-Mar-14
	₹	₹
Power and fuel	107,323	50,846
Rent	790,950	441,000
Rates and taxes	153,964	299,727
<u>Repairs and maintenance</u>		
on others	638,858	283,697
Insurance expenses	5,802	27,415
Communication expenses	409,834	261,240
Consultancy and professional fees	570,125	211,834
Printing and stationery	410,913	266,745
Sales promotion & business development expense	48,901	344,110
Referral fees paid	802,800	377,635
Office expenses	340,831	249,497
Travelling & conveyance expenses	299,759	363,835
Auditors' remuneration (Refer note below)	75,000	49,500
Miscellaneous expenses	1,096,942	545,410
<b>Total</b>	<b>5,752,002</b>	<b>3,772,490</b>

24. Provisions & Write Offs	31-Mar-15	31-Mar-14
	₹	₹
Bad debts written off	2,399,570	1,287,042
Provision against standard assets	280,617	217,466
Provision against sub-standard assets	356,046	-
<b>Total</b>	<b>3,036,233</b>	<b>1,504,508</b>

Note: Auditors remuneration	31-Mar-15	31-Mar-14
	₹	₹
As Auditor (exclusive of service tax)		
Statutory audit	40,000	35,000
Tax audit	15,000	11,500
In other capacity (exclusive of service tax)		
Company law matters	11,500	3,000
Certification fees	8,500	-
<b>Total</b>	<b>75,000</b>	<b>49,500</b>





**25 Related parties disclosure**

Related parties with whom the company had transactions etc.

**Enterprises having significant influence over the company**

Auto Transport Services  
Continental Services  
Dilip Swadi HUF  
Mr. Dilip Swadi  
Mrs. Shirley Swadi

**Key managerial personnel**

Mr. Nikhil Swadi  
Mr. Pratap Dighe

Particulars	Enterprises having significant influence over the company		Key managerial personnel	
	2014-15	2013-14	2014-15	2013-14
Transactions	₹	₹	₹	₹
<b>Income</b>				
Interest on asset financing	616,308	1,081,394	-	-
<b>Expenses</b>				
Employee benefit expense	-	-	1,140,000	1,140,000
Interest expenses	2,750,003	2,750,003	-	-
Reimbursement of expenses	97,390	37,115		
Rent paid	125,000	-		
<b>Equity capital contribution received</b>				
Share capital	8,333,330	2,666,670	-	-
Share premium	41,666,650	13,333,350	-	-
<b>Loans</b>				
Loans received during the year	-	-	-	-
Loans given during the year	-	-	-	-
<b>Balances outstanding</b>				
Loans received	25,000,000	25,000,000	-	-
Loans against asset financing	2,674,024	6,652,766	-	-

Note

Related party relationships are as identified by the company and relied upon by the auditors.

Transactions carried out with related parties referred to above are in the ordinary course of business

**26 Contingent Liabilities provided for is ₹ NIL**
**27 Sundry Creditors and provisions:**

a According to the information available with the company, the company has not received any representations from its creditors regarding whether they fall under the definition of "Micro and small enterprises" as defined under 'Micro, Small and Medium Enterprises Development Act, 2006', as at March 31, 2015. Therefore the company has not made any disclosures regarding dues payables to Micro and small enterprises due to non-availability of information.

b There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

**28 Impact of Changes in Depreciation Policy**

The Company has changed its depreciation policy in line with the requirements of the Companies Act 2013. As per earlier policy the Company was providing depreciation on WDV basis as per the rates in Schedule XIV of Companies Act 1956. In terms of the requirement of Companies Act 2013 the Company now provides for depreciation on useful life of assets on SLM basis as per Schedule II of the Cos Act 2013. However as a result of the change from WDV basis to SLM basis the depreciation for the year is lower by ₹ 320,636/- with consequential impact on profit for the year.

**29 Segment Information:**

The Company is engaged in single segment of activity namely loans for asset financing. Therefore, no separate segmental disclosure is given as per the requirements of Accounting Standard-17 issued by ICAI.

**30 Earnings per share**

Particulars	31-Mar-15	31-Mar-14
Profit after Tax & Exceptional Items (₹)	10,019,761	6,090,124
Weighted average no. of shares used for calculating basic earnings per share	1,540,305	1,364,506
Weighted average no. of shares used for calculating diluted earnings per share	1,540,305	1,364,506
<b>Basic &amp; Diluted EPS (₹)</b>	<b>6.51</b>	<b>4.46</b>

**31 Previous year figures**

The previous year figures have been regrouped & reclassified to confirm to this year's classification.







5	Borrower group-wise classification of assets financed as in (2) and (3) above:			
	Please see Note 2 below			
	Categories	Amount net of Provisions		
		Amount net of Provisions	Secured	Unsecured
				Total
	1. Related Parties		₹	₹
	(a) Subsidiaries			Nil
	(b) Companies in the same mngt.			Nil
	(c) other related parties		2,674,024	Nil
	(d) other than related parties		289,211,719	Nil
	Total		<b>291,885,743</b>	<b>291,885,743</b>
6	Investors group-wise classification of all investments (current and long term) in shares and securities			
	Please see note 3 below			
	Category	Market Value/ Break-up or Fair Value or NAV	Book Value (net of Provisions)	
	1. Related Parties			
	(a) Subsidiaries	₹ Nil	₹ Nil	
	(b) Companies in the same group	₹ Nil	₹ Nil	
	(c) Other related parties	₹ Nil	₹ Nil	
	2. Other than related parties	₹ Nil	₹ Nil	
	<b>Total</b>	<b>₹ Nil</b>	<b>₹ Nil</b>	
	** As per Accounting Standard of ICAI (Please see Note 3)			
7	Other Information:			
	Particulars	Amount		
	(i) Gross Non-Performing Assets			
	(a) Related parties	₹ Nil		
	(b) Other than related parties	₹ 27,55,616		
	(ii) Net Non-Performing Assets			
	(a) Related Parties	₹ Nil		
	(b) Other than related Parties	₹ 23,99,570		
	(iii) Assets acquired in satisfaction of debts	₹ Nil		

Notes:

- As defined in paragraph 2(1)(Xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Direction, 1998
- Provisioning norms shall be applicable as prescribed in Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007
- All Accounting Standard and Guidance Notes issued by ICAI are applicable including for valuation of Investments and other assets as also assets acquired in satisfaction of debt. However, Market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

The notes are an integral part of these financial statements.  
As per our report of even date

For R Kothari & Company  
Chartered Accountants

ICAI Firm Registration No. FRN : 307069E

*Sunita Bhandari*

Sunita Bhandari  
Partner

Membership No. 55143

Place : Mumbai

Date : 15<sup>th</sup> June, 2015



For & on behalf of the Board

*Dilip Swadi*

Dilip Swadi  
Director

DIN: 00320495

Nikhil Swadi  
Director

DIN: 03261080