

## M/s Vedika Credit Capital Limited

406, Shrilok Complex, 4th Floor, HB Road,  
Ranchi- 834001, India

**Valid from: Dec 21<sup>st</sup>, 2023**

**Valid to: Dec 20<sup>th</sup>, 2024**

Grading Type	Grading Assigned
MFI Grading	<b>MFI 1</b>

IAR MFI Grading	Definition
MFI 1	<b>Highest</b> capacity of the MFI to manage its operations in a sustainable manner.
MFI 2	<b>High</b> capacity of the MFI to manage its operations in a sustainable manner.
MFI 3	<b>Good</b> capacity of the MFI to manage its operations in a sustainable manner.
MFI 4	<b>Above Average</b> capacity of the MFI to manage its operations in a sustainable manner.
MFI 5	<b>Average</b> capacity of the MFI to manage its operations in a sustainable manner.
MFI 6	<b>Below Average</b> capacity of the MFI to manage its operations in a sustainable manner.
MFI 7	<b>Weak</b> capacity of the MFI to manage its operations in a sustainable manner.
MFI 8	<b>Poor</b> capacity of the MFI to manage its operations in a sustainable manner.

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## General Information

Sr. No.	Particulars	Details	
1	Managing Director	Mr. Gautam Jain	
2	Year of Incorporation	March 15, 1995	
3	Legal Status	Non-Banking Finance Company (NBFC-MFI)	
4	CIN	U67120WB1995PLC069424	
5	RBI Registration No.	05.00844 dated 11 <sup>th</sup> March 1998	
6	NBFC MFI Registration No.	B-05.00844 dated 03 <sup>rd</sup> June 2015	
7	LEI No.	335800WR2QFGZEL2PX23	
8	Registered Office/ Corporate Office	406, Shrilok Complex, 4th Floor, HB Road, Ranchi- 834001.	
9	Lending Model	Joint Liability Group (JLG)	
10	Tangible Net Worth	Rs 156.23 crores as on March 31, 2023	
11	Geographical reach as on March 31, 2023	No. of States	7
		No. of Districts	94
		No. of Branches	192
		No. of Active Borrowers	3,13,797
		No. of Total Employees	1407
		No. of Field/Credit Officers	1286
12	Auditors	N.K. Kejriwal & Co.; Ranchi	
13	<b>Outstanding Grading</b>	<b>IAR M1 assigned on September 15, 2022</b>	
14	<b>Outstanding Rating</b>	<b>IVR A-; Stable as per PR dated October 12, 2022</b>	
15	Software use	SWATAH software	
16	No of Lenders	37	

## GRADING RATIONALE

### **Brief Profile of the organization**

- Vedika Credit Capital Limited (VCCL) is a Non-Banking Financial Company – Microfinance Institution (NBFC-MFI) registered under Reserve Bank of India (RBI). It started its microfinance on-lending operation in the year 2009 with its head office in Ranchi (Jharkhand), by providing small ticket size loan to poor woman in rural and semi-urban area through Joint Lending Group (JLG) based system and Micro Home Loan. Initially, the company was started in 1995 and got the RBI registration for NBFC operation from 1998 under previous owner and was in stock broking operation. In 2004, VCCL was taken over by the current promoters, Mr. Ummed Mal Jain (Chairman) and his sons, Mr. Gautam Jain and Mr. Vikram Jain. Thereafter, the new promoters discontinued stock broking operation and initiates two wheelers financing business.
- In 2007, VCCL transferred two wheelers financing business portfolio to its group company and started Microfinance lending operation and later in June 2015 the company has got registration as NBFC-MFI from Reserve Bank of India. Presently, the Company provides livelihood promotion services comprising of livelihood and other Micro financial services to those population segments which are mostly un-reached by the formal banking systems with the principal purpose of promoting sustainable livelihoods.
- VCCL is now working with 192 branches spread over 94 districts in seven states, West Bengal, Assam, Bihar, Jharkhand, Odisha, Tripura and Uttar Pradesh, where they are providing services to more than 3,13,797 clients.
- Beside direct lending, the company also entered into a partnership to work as a Business Correspondence (BC) with IDFC First Bank Limited, SIDBI, IDBI, Fincare Small Finance Bank Limited, MAS Financial Services Limited, Kisandhan Finance Limited Wherein VCCL manages the entire micro finance operation for designated areas on behalf of banks/FI's for a certain fee income.
- As of 31-March-2023, providing financial services to a total active borrower base of 313797 with asset under management of ₹ 1097.12 Crores (It includes Own Rs. 771.65 Cr and managed portfolio of Rs 325.47 Cr).
- Currently, the operations of the company are managed by Mr. Ummed Mal Jain, Chairman and Mr Gautam Jain (Managing Director) & Mr. Vikram Jain– (Director) along with other four directors and a team of experienced personnel.

## **Mission & Vision of VCCL**

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The **Mission Statement** of Vedika Credit Capital Limited is “To be a Partner in the Growth of Micro Entrepreneurs.”

The **Vision Statement** of Vedika Credit Capital Limited is “To be the leader on providing total Financial Solution to Micro Entrepreneurs.”

**Profile of governing body members/directors of Vedika Credit Capital Limited**

<b>Name</b>	<b>Age</b>	<b>Designation In the board</b>	<b>Education Qualification</b>	<b>Brief Profile</b>	<b>Total Years of Experience</b>
Mr. Gautam Jain	52 Years	Managing Director	MBA (F)	Mr. Gautam Jain, aged about 52 years, residing at Poddar Bagan, Harmu Road, Ranchi, Jharkhand - 834001, presently acting as an Managing Director (DIN-00367524) of the company is a young, bright and dynamic individual with a passion to achieve excellence regardless of the odds and challenges. An MBA in Marketing, he started his career with a jute mill in Calcutta and subsequently, moved into finance business. He looks after the day to day operations of the Company. A visionary with a great sense of commitment, he is committed to make VCCL a brand name in the financial service sector.	Over 25 years
Mr. Vikram Jain	49 Years	Whole Time Director	B. Com	Mr. Vikram Jain, aged about 49 years, residing at Poddar Bagan, Harmu Road, Ranchi, Jharkhand - 834001, presently acting as Director (DIN-00367570) of Vedika Credit Capital Ltd. He was earlier managing the family business of food grains. Having drawn inspiration from his father	Over 20 years

Name	Age	Designation In the board	Education Qualification	Brief Profile	Total Years of Experience
				Mr. Ummed Mal Jain and under his tutelage, he started managing the finance business of the family. He is a Fund Management Specialist.	
Mr. Ummed Mal Jain	76 Years	Director	LL. B	Mr. Ummed Mal Jain, aged about 76 years, residing at Poddar Bagan, Harmu Road, Ranchi, Jharkhand - 834001, presently acting as a Chairman (DIN-01225087) of the Company is a man who has seen it all and done it all. Starting his career as an Advocate in Patna High Court, he drifted into business out of choice and started a food grain business. Thereafter, he ran a flour mill very successfully for several years. When business grew manifold, he decided to diversify and got into financing business. Using his vast experience, spanning five decades, and his business acumen coupled with wisdom, he presides over all matters of critical importance for the Company and advices top managers.	Over 40 years
Mr. Deep Kumar Hessa	40 Years	Independent Director	LL.B & LL.M	Mr. Deep Kumar Hessa, Independent Director (DIN-03452241) of the Company. His	Over 10 years

Name	Age	Designation In the board	Education Qualification	Brief Profile	Total Years of Experience
				<p>qualification is LL.B &amp; LL.M in n Customary Law &amp; Tribal Governance. He has associated with NGO's and deep knowledge of Rural Tribal area belongs in Jharkhand.</p>	
Mr. Maqsoodul Hasan Ansari	69 Years	Independent Director	MBA & Doctorate of Philosophy (PhD)	<p>Mr. Maqsoodul Hasan Ansari, Independent Director (DIN-08188472) of the Company. He has Contributed significantly in preparing young minds of the country in the last 34 years of teaching and training for building their career in rural development as well as to work for the marginalized sections of the society and the country. His qualification are Post-graduate Diploma in “Social Service” with specialization in Personnel Management &amp; Industrial Relations &amp; MBA with Specialization in Marketing Management &amp; Doctorate of Philosophy (PhD) from Post Graduate Department of Commerce and Business Management, Ranchi University, Ranchi. He served as Head of the Department of Rural Management at XISS, Ranchi for a period of 14 years. He is having a Life membership of the</p>	Over 40 years

Name	Age	Designation In the board	Education Qualification	Brief Profile	Total Years of Experience
				International Institute of Adult and Lifelong Education, New Delhi since the Year 1990. He has written and published small books and produced Audio-visual aids which helped in creating awareness in the rural masses for developmental interventions. He has participated and moderated many National and International Conferences. He has also received “Mahatma Gandhi Peace Award-2015” in the field of Education on 2nd of October 2015.	
Mr. Siba Prasad Nayak	44 Years	Nominee Director	MBA, CAIIB & JAIIB	Mr. Siba Prasad Nayak, Nominee Director of the Company from SIDBI. His Qualification is B. Com and Masters in Industrial Relations and Personnel Management from Berhampur University, Odisha. He has 17 years of experience in Bank and Financial Institution like SIDBI. Specialist in MSME Lending. JAIIB and CAIIB certified. Presently working as Assistant General Manager in SIDBI, Ranchi, looking after MSME lending in the state of Jharkhand.	Over 15 years
Mr. Hari Babu Shukla	61 Years	Additional Director	Post graduate and associate member of Indian Institute of Bankers	"Mr. Hari Babu Shukla has retired on superannuation from service of Indian Overseas	Over 30 years

Name	Age	Designation In the board	Education Qualification	Brief Profile	Total Years of Experience
				<p>Bank on 31/12/2021 after a stint of 37.5 years of experience. I joined the direct in officer cadre of Bank after passing college/university in 1984 &amp; worked in various capacities. Having more than 37 years of Banking experience in various aspects of Banking. His experience in Banking includes Branch Banking experience, Head of Region experience, Overseas Banking/International Banking experience, Corporate Office, Board Secretary as well as head of the training institute. He has achieved many accolades in my career and won many prizes and appreciation from the Bank."</p>	

## **Senior Management Profile**

<b>Name</b>	<b>Qualification</b>	<b>Designation</b>	<b>Total years of experience</b>
Mr. Pradeep Sharma	Graduate	Business Head	He is Business Head of the Company. He is graduate by qualification and has over 19 years' experience in micro finance sector. His in-depth knowledge of the field and the sector makes him a very vital component of the micro finance sector
Mr. Abhishek Agarwal	ACS and MBA (Finance)	CFO	He is Chief Financial Officer of the Company. ACS and MBA (Finance) by qualification, he is managing the financial actions of a company including tracking cash flow and financial planning as well as analyzing the company's financial strengths and weaknesses and proposing corrective actions, all strategic and tactical matters as they relate to budget management, cost benefit analysis, forecasting needs and the securing of new funding. He has over 10 years' experience in micro finance sector
Mr. Gaurav Kumar Vohra	ACS and Law Graduate	Company Secretary	He is the Company Secretary of the company. ACS and Law graduate by qualification, he looks after the corporate and other statutory compliances of the Company & he is responsible for the efficient administration of a company, particularly with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that decisions of the board of directors are implemented.
Mr. Chandan Kumar Malviya	CA	Audit & Risk Head	He is Audit & Risk Head of the company. He is having 10 years of rich experience in Banking Audit, Accounting and Micro finance. He has handled account creation, transactions and Audit at various industries of MFI, Telecom and other private organizations.
Mr. Rajesh Pandey	MBA (HR)	CHRO	As a CHRO, Mr. Rajesh is handling the responsibility of development and implementation

Name	Qualification	Designation	Total years of experience
			of Company's HR strategies and practices. Having more than 05 years' experience in leading & managing HR functions for Steel, Power, Manufacturing, Telecom industry and Banking sector, he efficiently balances the man-power requirement and HR matter for VEDIKA.
Mr. Milan Singh	NA	IT Manager	Mr. Milan is responsible for company's IT strategy and its sub-systems Integration. He spearheaded leads the team responsible for implementing of various Software, IT infrastructure & Security, Asset Management and other Digital Initiatives. Mr. Milan's career spans more than 8 years, with leading position in System Analysis, Managing, Designing and Implementing of Web & Mobile Application for various MFI's, Societies, Trusts, Cooperatives and Government Department in multiple states.

## **TOSS FRAMEWORK**

<b>Transparency</b>	
	Above Average
<ul style="list-style-type: none"> <li>○ Vedika Credit Capital Limited (VCCL) is a Non-Banking Financial Company – Microfinance Institution (NBFC-MFI) registered under Reserve Bank of India (RBI). It started its microfinance on-lending operation in the year 2009 with its head office in Ranchi (Jharkhand), by providing small ticket size loan to poor woman in rural and semi-urban area through Joint Lending Group (JLG) based system and Micro Home Loan.</li> <li>○ Initially, the company was started in 1995 and got the RBI registration for NBFC operation from 1998 under previous owner and was in stock broking operation.</li> <li>○ In 2004, VCCL was taken over by the current promoters, Mr. Ummed Mal Jain (Chairman) and his sons, Mr. Gautam Jain and Mr. Vikram Jain. Thereafter, the new promoters discontinued stock broking operation and initiates two wheelers financing business.</li> <li>○ In 2007, VCCL transferred two wheelers financing business portfolio to its group company and started Microfinance lending operation and later in June 2015 the company has was got registration as NBFC-MFI from Reserve Bank of India. Presently, the Company provides livelihood promotion services comprising of livelihood and other Micro financial services to those population segments which are mostly un-reached by the formal banking systems with the principal purpose of promoting sustainable livelihoods.</li> <li>○ In FY23, its operation outreach spread across seven states (Bihar, Jharkhand, West Bengal, UP, Assam, Odisha, Tripura) through a network of 192 branches spread across 94 districts.</li> <li>○ As of 31-March-2023, providing financial services to a total active borrower base of 313797 with asset under management of ₹ 1097.12 Crores (It includes Own Rs. 771.65 Cr and managed portfolio of Rs 325.47 Cr).</li> <li>○ Experienced founder group and reasonably experienced governing body members, which meets on a quarterly basis.</li> <li>○ The existence of monitoring committees like HR &amp; staff grievance committee, audit compliance corporate governance committee, risk and grievance redressals committee.</li> <li>○ Credit policies are well-established, documented and communicated.</li> <li>○ Transparency in lending process and monitoring of end use of funds is adequate. The borrowers are aware of the lending policies of the company</li> <li>○ The auditor has submitted an unqualified audit report and satisfactory feedback about the company</li> <li>○ Overall disclosures are moderate.</li> </ul>	
<b>Operational Setup</b>	
	Strong
<ul style="list-style-type: none"> <li>○ Long experience of management in microfinance, banking, financial, audit, risk and social developmental activities.</li> <li>○ Supported by seven-members board with experience in the microfinance, social services, and banking.</li> <li>○ Vedika Credit Capital Limited has a well-defined organization structure with a 4-tier reporting hierarchy and existence of separate departments with clearly defined roles and responsibilities.</li> </ul>	

- The company follows JLG approach to extend the loans to individual and small enterprises through MSME lending operations.
- The Company has the web based on-line software “SWATAH” to ensure smooth flow of operational data between Head Office and branches.
- Adequate risk management system for tracking over-dues and collection of delinquent loans are in place.
- Risk management systems are in place & commensurate with the size of the operation. Takes insurance cover for employees for infidelity, cash in transit and cash in safe. Insurance cover is also taken for borrowers & their spouses.
- Loan disbursements are made by the Branch Office only after 3pm through Bank Accounts of the borrowers after proper verification by the Head Office officials.
- The Company also conducts various internal and external training for their employees

### Scale of Operations

Modest

- Operates in 94 districts of 7 states through a network of 192 branches as on March 31, 2022.
- Vedika Credit Capital Limited is a moderate sized MFI player with a loan portfolio stood at of ₹ 1097.12 Crores (It includes Own Rs. 771.65 Cr and managed portfolio of Rs 325.47 Cr).
- Adequate borrower base, covering 313797 active borrowers as on March 31, 2023 (254649 as on March 31, 2022)
- VCCL has Three loan products.

### Sustainability

Average

- Strong second line of leadership; majority of senior management has adequate experience to manage the growing scale of operations
- Legal form allows equity infusion from investors.
- Moderate operating risk profile where OSS stood at 116.03% in FY23. Further ROTA was improved at 2.03% in FY23.
- The asset quality stood at comfortable levels in the past two years.
- The CAR remained adequate at 22.56% as on March 31, 2023 (20.05% as on March 31, 2022)
- PAR> 30 days has improved from 5.08% as on March 31, 2022, to 3.05% as on March 31, 2023. Similarly, PAR> 90 days, which had improved from 2.01% as on March 31, 2022, to 0.89% as on March 31, 2022.

**Industry outlook:** Post the AP crisis and regulatory intervention by RBI, the microfinance sector has seen growth in loan portfolio on account of improving funding profile, control in operating expenses, improving margins and moderate leverage levels. Current focus of the microfinance sector is mainly on micro-credit with other products still evolving. Going forward, MFIs are likely to expand their client base and reach out to more underserved areas of the country. VCCL has presence in areas with moderate penetration of other MFIs. However short-term outlook of MFI industry looks grim due to nationwide impact of lockdown attributable to Covid-19 outbreak.

## Operational outreach

For the period ended / As on,	FY21	FY22	FY23
Number of states	7	7	7
Number of districts	94	94	94
Branches	192	192	192
Number of active SHG groups	0	0	0
Number of active JLG groups	39256	54415	71430
Number of active SHG members	0	0	0
Number of active JLG members	177281	254649	313797
Number of active SHG borrowers	0	0	0
Number of active JLG borrowers	177281	254649	313797
<b>Loan Portfolio</b>			
No. of loan disbursed during the year	62345	159308	111484
Amount of loan disbursed during the year (Rs. Cr)	174.91	449.44	490.05
Average Loan size disbursed during the year (INR)	28055	28212	43957
Overdue at the beginning of the year (Rs. crore)	10.73	21.04	1.15
Principal due during the year (Rs. crore)	396.19	340.84	396.22
Principal recovered during the year (Rs. crore)	283.07	323.38	386.44
Overdue at the end of the year (Rs. crore)	21.04	1.15	2.75
Recovery rate (%)	95.50%	96.43%	98.58%
Total outstanding loan portfolio (Rs. crore)	341.44	580.55	771.65
Portfolio at risk (PAR) >30 days (%)	5.45%	5.08%	3.05%
Portfolio at risk (PAR) >90 days (%)	2.21%	2.01%	0.89%
CAR (Tier 1) %	20.42%	16.76%	20.10%
CAR (Tier 2) %	11.21%	3.29%	2.46%
CAR (Overall) %	31.63%	20.05%	22.56%

## Details on human resources

	FY21	FY22	FY23
Relationship Executive	1073	950	1286
Total employees	1177	1149	1407
No. of Branch	192	192	192
<b>Employee productivity</b>			
Number of loans per Relationship Executive	165	268	244
Number of members per Relationship Executive	165	268	244
Number of borrowers per Relationship Executive	165	268	244
Amount of loan outstanding per Relationship Executive (Rs. crore)	0.32	0.61	0.60
<b>Branch productivity</b>			
Number of members per branch	923	1326	1634
Number of individual borrowers per branch	923	1326	1634
Amount of loan outstanding per branch (Rs. crore)	1.78	3.02	4.02

**Financial Sustainability** (Rs. crore)

<b>Financial Performance</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
Interest on Loans	94.70	99.65	148.64
Dividend Income	0.72	0.48	0.74
Fee Based Income	7.19	10.14	13.69
Other Income	3.58	2.58	3.52
<b>Total income</b>	<b>106.19</b>	<b>112.86</b>	<b>166.60</b>
Total Expenditure	41.34	21.56	59.99
<b>Net interest income</b>	<b>64.85</b>	<b>91.29</b>	<b>106.61</b>
Financial cost	56.44	61.59	83.20
<b>Total Operating profit</b>	<b>8.41</b>	<b>29.70</b>	<b>23.41</b>
Income Tax	0.73	3.22	5.56
<b>PAT (before deferred taxation)</b>	<b>7.68</b>	<b>26.48</b>	<b>17.85</b>
Deferred taxation	2.97	3.23	0.84
<b>PAT (after deferred taxation)</b>	<b>4.71</b>	<b>23.25</b>	<b>17.01</b>
<b>Financial Position</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
Net worth	86.64	103.55	156.23
Total Debt	347.62	641.53	736.57
Loan outstanding – own	341.44	564.06	750.04
Assets under management	512.41	745.72	1097.12
Total Assets	467.70	758.63	917.46
<b>Key ratios (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
<b>Growth Ratios</b>			
Total Assets	(11.68)	64.02	21.12
Tangible Net Worth	65.66	19.53	50.87
Total Capital Employed	(10.83)	71.72	20.46
Total Income	(14.01)	6.28	47.62
PAT	(127.45)	393.46	(26.82)
<b>Solvency Ratios</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
Overall Gearing (times)	4.01	6.20	4.71
Interest coverage (times)–before provision & write offs	1.15	1.21	1.28
CAR %	31.63%	20.05%	22.56%
<b>Profitability &amp; Operating Efficiency Ratios (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
Interest income/Avg. Interest earning assets (A)	24.80	22.01	22.62
Interest / Avg. borrowed funds (B)	14.42	12.45	12.07
Interest spread (A-B)	10.37	9.56	10.55
Net Interest Margin (NIM)	10.96	8.98	10.49
ROCE	14.01	15.40	12.91

<b>Financial Performance</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
Interest / Avg. capital employed	12.20	10.39	10.08
Expenses / Avg. capital employed	8.93	6.46	7.26
Cost of capital	12.20	10.39	10.08
Net spread	1.82	5.01	2.83
Return on total assets (PAT / Avg. Total Assets)	0.94	3.79	2.03
Cost to Income ratio	83.09	74.73	71.93
Operational Self- Sufficiency	108.61	135.72	116.35
Operating expense/Total Operating Income	38.93	33.95	36.01
PAT (after deferred tax)/ Total Income	4.44	20.60	10.21
RONW	11.06	27.85	13.74
PAR > 30 days (%)	5.45%	5.08%	3.05%
PAR > 90 days (%)	2.21%	2.01%	0.89%

### **Earnings profile**

- VCCL witnessed continuous growth in its total income over the past three fiscals. With high loan disbursements year-on-year, the company reported a net profit of Rs. 17.01 crore on total operating income of Rs. 166.60 crore in FY2023.
- The profitability of VCCL remained healthy over the past two years. The company's PAT margin has declined from last year of (26.82%) as compared to (393.46% in FY2022) and ROTA of 2.03% (0.63% in FY2022) respectively in FY2023.
- VCCL's capital adequacy ratio (CRAR) has marginally improved to 22.56% as on March 31, 2023, as compared to 20.05% as on March 31, 2022. However, CRAR remains comfortably above the RBI stipulated 15% for NBFC-MFIs.
- The operational self-sufficiency (OSS) of VCCL stood at 116.35 % in FY2023, compared to 135.72 % in the previous fiscal.
- The company had a gearing of 4.71 x as on March 31, 2023, which was improved than 6.20 x in the clearing of long term debts taken during FY2022.

### VCCL 's position with new RBI's guidelines for MFIs:

<b>RBI's Direction</b>	<b>VCCL Status</b>	<b>Compliance</b>
85% of net assets to be in the nature of qualifying assets	Qualifying assets forms more than 97.49% of net assets as on 31/Mar/2023.	Complied
Net worth to be in excess of Rs 5 Crore	Net worth of VCCL stood at Rs. 157.26 crore as on March 31, 2023	Complied
A microfinance loan is defined as a collateral-free loan given to a household having annual household income up to ₹3,00,000. For this purpose, the household shall mean an individual family unit, i.e., husband, wife and their unmarried children.	VCCL here by complies with it , as per latest RBI circular. Firstly it is informed at every level starting from sourcing , loan officers , relationship executives have been given proper training and thoroughly informed with specific format for calculation is shared and further the same is being verified at every level by the qualified audit team.	Complied
Loans size not to exceed Rs 75,000 in first cycle and Rs 125,000 in subsequent cycles*	VCCL offers loan in the range of Rs.20,000 to Rs. 50,000 in first cycle and 50,000 – 1,25, 000 in subsequent cycles depending on client repayment capacity, type of activity etc.	Complied
Total indebtedness of the borrower not to exceed Rs 125,000 (excl medical and education loans)*	Apart from taking declaration from the client, VCCL conducts credit check on the loans outstanding through credit bureaus.	Complied
Tenure of loans not to be less than 24 months for loan amount in excess of Rs 30,000, with prepayment without penalty*	Tenure of loans is not less than 24 months for loan amount in excess of Rs 30,000, with prepayment without penalty.	Complied
Pricing guidelines are to be followed	Loans are provided at rate of interest of 25-26% on reducing balance basis which meets the RBI criteria.	Complied
Transparency in interest rates to be maintained	Interest, Processing fees and insurance premium charged are duly mentioned in the loan card provided to the client.	Complied
Not more than two MFIs lend to the same client	VCCL verifies the same though credit check from credit bureaus.	Complied
The REs shall have a board-approved policy to provide the flexibility of repayment	VCCL has provided a board approved policy that enables the REs to extend flexibility with respect to the	Complied

periodicity on microfinance loans as per borrowers' requirement.	repayment periodicity and it is circulated at every level and closely monitored that the same is extended as approved.	
Collateral free loans	VCCL does not accept any Collateral for extending the credit.	Complied
MFIs shall not collect any Security Deposit / Margin from the borrower.	VCCL does not collect any security deposit / margin from the borrower.	Complied
No late payment or prepayment penalties	VCCL does not take late payment or prepayment penalties from the clients.	Complied
Share complete client data with at least one Credit Information Company (CIC) established under the CIC Regulation Act 2005, as per the frequency of data submission prescribed by the CIC.	Share complete client data with at least one Credit Information Company (CIC) established under the CIC Regulation Act 2005, as per the frequency of data submission prescribed by the CIC.	Complied
Aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs	VCCL provides more than 50% of total loans for income generation activities as on 31/Mar/2023.	Complied
NBFC-MFIs shall maintain a capital adequacy ratio consisting of Tier I and Tier II Capital which shall not be less than 15 percent of its aggregate risk weighted assets.	CRAR of VCCL stood at 22.56% as on 31/March/2023 which complies with the minimum CRAR requirement of 15% for NBFCMFIs as prescribed by RBI.	Complied
The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more'.	The statutory auditor has certified that appropriate provisions have been made.	Complied

### **Borrowing Details as on November 30, 2023**

S.N.	Funding Agency	Amount Sanctioned	Amount Aailed	Amount O/S (in Cr.)
1.	Bank of Baroda	20.00	20.00	5.40
2.	Bank of India	25.00	25.00	10.00
3.	Bank of Maharashtra	60.00	60.00	39.28
4.	Blacksoil Capital Pvt Ltd	15.00	10.00	7.50
5.	Canara Bank	32.00	32.00	17.50
6.	Capital Small Finance Bank Ltd	24.00	24.00	11.45
7.	Central Bank of India	25.00	25.00	9.43
8.	Cholamandalam Investment and Finance Company Ltd.	15.00	15.00	10.84
9.	Dhanlaxmi Bank Limited	10.00	10.00	10.00
10.	Electronica Finance Ltd	5.00	5.00	5.00
11.	ESAF Small Finance Bank Ltd	20.00	20.00	9.34
12.	Federal Bank Ltd	15.00	15.00	15.00
13.	Habitat Microbuild Housing Finance Co. Ltd	6.00	6.00	1.05
14.	ICICI Bank Limited	40.00	40.00	1.82
15.	IDBI Bank Limited	45.00	45.00	22.66
16.	IKF Finance Limited	10.00	10.00	9.17
17.	Incred Financial Services Limited	15.00	15.00	14.46
18.	Indian Bank	90.00	90.00	64.78
19.	Indian Overseas Bank	80.00	80.00	52.59
20.	Kissandhan Agri Financial Services Private Limited	3.42	3.42	0.48
21.	Klay Finvest	5.00	5.00	3.75
22.	Maanveeya Development & Finance Pvt. Ltd.	23.00	23.00	7.88
23.	Manappuram Finance Ltd	10.00	10.00	5.74
24.	MK Ventures Capital Limited	25.00	25.00	15.51
25.	MUDRA	20.00	20.00	14.55
26.	NABARD	75.00	75.00	42.50
27.	NABKISAN Finance Limited	15.00	15.00	11.67
28.	Nabsamruddhi Finance Limited	20.00	20.00	15.76
29.	Oriental Bank of Commerce	15.00	15.00	1.77
30.	Punjab National Bank	25.00	25.00	7.42
31.	RAR Fincare Limited	3.00	3.00	2.64
32.	Shine Star Build Cap Private Limited	125.00	105.00	82.40
33.	SIDBI	90.00	90.00	54.54
34.	State Bank of India	275.00	275.00	113.06

35.	Sundram Finance Limited	30.00	30.00	21.89
36.	Tata Capital Financial Services Limited	30.00	30.00	24.81
37.	Union Bank of India	67.00	67.00	51.99
	<b>Total</b>	<b>1408.42</b>	<b>1383.42</b>	<b>795.63</b>

**Due Diligence done on Dec 19<sup>th</sup>, 2023, by Rahul Chinnam, Analyst.**

Stake holder		Feedback	Remarks
SIDBI	Ravi Kandulna Relationship Manager 02267531100, 7838810489	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Punjab National Bank	Garvita Manager 8859485863	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
MAS Financial Services Limited	Narendra Wakode Operation Officer 7624002484	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
IDFC First Bank Limited	Tejas Shetty Associate Relationship Manager 8879947091	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Muthoot Capital Services Limited	Priya Menon Senior Associate Vice President - Finance & Accounts 04846619615, 9847359416	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Habitat Micro Build India Housing Finance Company Pvt. Ltd.	Sameera Relationship Manager 9980989331	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Canara Bank	Ravi Sinha Chief Manager 9092340006	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Hinduja Leyland Finance Ltd	Varun Parthasarathy Manager NBFC Funding	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was

Stake holder		Feedback	Remarks
	44 3925 2562, 9841422450		not shared by the FI.
Arohan Financial Services Pvt. Ltd.	Rajarshi Banerjee Relationship Manager 7003220958	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Maanaveeya Development & Finance Pvt. Ltd.	Thomas Jesu Head Microfinance Operations 7795022336	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Capital Finance Limited	Small Bank Maneet Singh Dy. Manager (H.O. Credit) 8360655902, 9779637386	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Bank of Baroda	Divesh Damani Manager 9836266200	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
MUDRA	Snigdha Kiran Manager 7978061323	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
NABKISAN Finance Limited	Manop Pal Manager-Credit 022-26539850, 7977275741	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Indian Bank	Mr. Arpan Chief Manager 9569167778	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Bank of Maharashtra	Himanshu Shekhar Branch Manager 9905774643	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Samunnati Financial Intermediation & Services Private Limited	Kumar Paurush Relationship Manager 9116002343	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.

Stake holder		Feedback	Remarks
State Bank of India	Shanu Singh Relationship Manager 8349816573	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
NABARD	Shobha Rani AGM 8002895858	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Kissandhan Agri Financial Services Private Limited	Vaibhav P Peshney VP MFI 9999250206	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Satin Finserv Limited	Rajeshwar Manager-Credit 9213777799	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Indian Overseas Bank	Mrs. Sweety Manager-Credit 8789621220	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Union Bank of India	Mr. Abhay Credit Manager 9818045577	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
ESAF Small Finance Bank Limited	Joseph Varghese Assistant Vice President & Head –Corporate Lending 9349701415	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Bank of India	Mr. Debanu Mitra RSM 9163206286	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Central Bank of India	Miss Subhashini Chief Manager 9205496115	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
IDBI Bank Limited	Swati Diwan Manager 9836172444	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was

Stake holder		Feedback	Remarks
			not shared by the FI.
ICICI Bank Limited	Sujit Tiwari Manager 9834125347	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Sundaram Finance Limited	Ravi J Sr.AGM - Credit Admin (EFI) 9445034500	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Cholamandalam Investment and Finance Company Limited	Shreyansh Ajmera Assistant General Manager 9748221449	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
Tata Capital Financial Services Limited	Ayan Ghosh RM - Mid-Corporate 9073340458	The FI has expressed satisfaction on the overall conduct of the account.	Internal rating was not shared by the FI.
N.K. Kejriwal & Co.	Mr Naresh Kumar Kejriwal, Partner Ph.: 0651- 233 0441 Email: nkk_ca@hotmail.com	The auditor has expressed satisfaction on the internal control systems and the accounting principles followed by it.	

### **No Default Statement**

Latest Statement Date	Details of Delays, if any	Remarks
December 01 <sup>st</sup> , 2023	No Delays	-

### **MANAGEMENT DISCUSSION & ANALYSIS**

<b>Management Personnel Met</b>	<b>Mr. Abhishek Agarwal – CFO</b>
<b>Date of Meeting</b>	Dec 19 <sup>th</sup> , 2023
<b>Issues raised by INFOMERICS</b>	<b>Management’s Response</b>
Growth plans	The company is planning to avail additional term debt from banks for its growth purpose. Further in order to maintain its CAR, the promoters are planning to infuse around Rs. 25-30 crore During Q3 and Q4 for the year of FY24 the company will infuse in Q4.
Moderation in profit margin	After Covid impact the growth in loan disbursements mainly came from H2FY23 on the back of newly opened branches having higher cost of management. Further the cost of fund remained high for the company which affected the margin to a large extent.

## TRANSPARENCY

<p><b>Governance</b></p>	<ul style="list-style-type: none"> <li>• The company “Vedika Credit Capital Limited” was originally incorporated as a Private Limited Company on 15th March 1995.</li> <li>• In November 1995, the status of the company was changed from Private Limited Company to Public Limited Company for enhancing the volume of operation. Further it was recognized and re-registered to carry out the business of Non-Banking Finance Company with approval from Reserve Bank of India in March 1998.</li> <li>• In February 2009, the company added another micro finance product-Joint Liability Group loans to its products &amp; got NBFC MFI Registration on 3rd June 2015.</li> <li>• Vedika Credit Capital Limited is governed by a board consisting of 7 (Seven) members.</li> <li>• Majority of the governing body members have adequate experience in their respective areas of specialization. Members meet on a quarterly basis.</li> <li>• Vedika Credit Capital Limited has formed various monitoring committees like HR, audit, grievance redressals committee etc.</li> <li>• The monitoring committee meets on a quarterly basis to monitor the progress and discuss the financial and operational performance of the organization.</li> </ul>
<p><b>Transparency in lending process</b></p>	<ul style="list-style-type: none"> <li>• Credit policies are well-established, documented and communicated.</li> <li>• The lending policies (including interest rate, processing fees and other charges) are clearly communicated to the borrowers at group meetings through training programs &amp; orientations.</li> <li>• Borrowers are made to sign a loan agreement clearly stating the terms &amp; conditions and the covenants, thereof. The majority of borrowers are aware about the credit policies. The set of rules and regulations in relation to the lending policies are also displayed at the branches of the company on boards.</li> <li>• Following points are also communicated through written documents: <ul style="list-style-type: none"> <li>• Interest rate</li> <li>• Processing fees</li> <li>• Loan tenure and payment schedule</li> </ul> </li> </ul>
<p><b>Audit Quality</b></p>	<ul style="list-style-type: none"> <li>• The auditor has given an unqualified report and satisfactory feedback.</li> </ul>
<p><b>Internal Controls</b></p>	<p><b>Internal Audit</b> Internal audit of Vedika Credit Capital Limited is conducted by 19 members and 1 audit head having adequate working experience with microfinance institutes and knowledge about the organizational policies on accounting. Audit of branches are conducted on quarterly basis and report is submitted directly to the audit committee and Board of Director.</p> <p><b>Branch office audit</b></p>

	Internal audit is done at all the branches of Vedika Credit Capital Limited on quarterly basis with well-defined audit calendar. The objective of the department is to monitor and evaluate financial as well as operational data and borrower level processes.
<b>Policies</b>	<ul style="list-style-type: none"> <li>• Credit policies are clearly defined and documented (embedded in the operation manual)</li> <li>• Credit policies are strictly adhered to for formation of groups, field verification and credit appraisal.</li> <li>• Credit policy communication is done verbally through group meetings and training sessions to the group members.</li> <li>• HR policies are clearly defined and documented.</li> <li>• HR policies encompass recruitment and selection, induction and training, performance management and compensation management.</li> </ul>
<b>Transparency in utilization of funds</b>	<ul style="list-style-type: none"> <li>• Submits information/ book debt statements as per the requirement of the lender.</li> <li>• Report is submitted to banks and financial institutions on a monthly and quarterly basis as per the stipulation of the lender.</li> <li>• Reporting to lenders on collection and delinquency is also provided on regular basis.</li> </ul>
<b>Grievance redressals mechanism</b>	<ul style="list-style-type: none"> <li>• Vedika Credit Capital Limited has a grievance redressals mechanism in place with a helpline number, email id printed in the loan card/passbook and there is one designated redressal officer.</li> <li>• However, if the issue is not resolved, the escalations should be forwarded to HO. The Credit Monitoring Officers of HO would specifically review the grievance handling procedure during their periodic monitoring visits.</li> </ul>

## OPERATIONAL SETUP

<b>Management</b>	<ul style="list-style-type: none"> <li>• In 2004, Vedika Credit Capital Limited was taken over by the current promoters, Mr. Ummed Mal Jain (Chairman) and his sons, Mr. Gautam Jain and Mr. Vikram Jain.</li> <li>• The board is headed by Mr. Gautam Jain, Managing Director. He has more than 25 years of experience in the financial and Microfinance sector.</li> <li>• Vedika Credit Capital Limited have Seven governing body members with strong academic and managerial expertise in finance, microfinance, banking, and social developmental services.</li> </ul>
<b>Organizational Structure</b>	<ul style="list-style-type: none"> <li>• Vedika Credit Capital Limited has a well-defined organization structure with a 4-tier reporting hierarchy whereby it has, Relationship officers (RO), Branch Managers (BM), Area Manager (AM), Zonal Business Head (ZBH), Business Head (BH), Chief Financial Officer (CFO), Various Departmental Heads, Managing Director (MD), and the Board Members. The company has been able to engage professionals in</li> </ul>

	<p>different departments, all having considerable experience in their area of expertise.</p> <ul style="list-style-type: none"> <li>It has created separate departments with clearly demarcated roles and responsibilities for handling different functions. The detail organization structure is presented in <b>Annexures 2</b>.</li> </ul>												
<b>Level of decentralization of branches</b>	<ul style="list-style-type: none"> <li>At Branch Level the Branch Manager and Relationship Officer should look after the Branch administration and decorum.</li> <li>The Branch Manager will visit and interact with staff to know their awareness level on the organization and product for recommendation and cross verification. After the recommendation, the loan committee will approve the loan amount then the loan will be transferred to the borrower account.</li> </ul>												
<b>Second line of leadership</b>	<ul style="list-style-type: none"> <li>Senior members have strong and diversified experience in the fields of microfinance, banking, finance, audit, risk and social developmental activities.</li> <li>The majority of the senior members understand the issues involved in day-to-day functioning and are involved in the strategic decision making of the organization. Thus, at present Vedika Credit Capital Limited has reasonable second line of leadership. Brief profile of the senior management is provided above.</li> </ul>												
<b>Human resources management</b>	<ul style="list-style-type: none"> <li>Recruitment is done through employee referrals, company website, advertisement, consultant/placement agencies etc. followed by a series of interviews with senior management.</li> <li>The HR team visits respective branches and arrange interview of local candidates.</li> <li>For new employees joining as RE, BM and AM an induction schedule will be prepared as per the below mentioned guidelines.</li> </ul>												
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<ul style="list-style-type: none"> <li>Apart from this, periodic training programs are also conducted for staffs on a regular basis. The senior management members participate in external training programs, workshops and conferences.</li> <li>The compensation structure of the employees contains the following components: <ul style="list-style-type: none"> <li><b>Fixed Pay:</b> The fixed pay includes Basic and a fixed amount as allowance.</li> <li><b>Other Expenses:</b> The employees are provided with reimbursements of their travel expenses as per the organization's policy.</li> <li>All the statutory employee benefits such as PF, gratuity, ESI, etc. are being provided to all the employees.</li> <li>Performance appraisal is conducted once each year.</li> </ul> </li> </ul>																			

	<ul style="list-style-type: none"> <li>The recruitment process is centralized at Head Office (HO) and is mainly handled by the HR manager under the guidance of the senior management.</li> <li>Total staff strength of 1699 employees of which 1172 are Relationship officers as on November 31, 2023.</li> </ul> <table border="1" data-bbox="422 392 1380 750"> <thead> <tr> <th>Particulars</th> <th>No. of employees</th> </tr> </thead> <tbody> <tr> <td>Senior Management</td> <td>6</td> </tr> <tr> <td>Relationship Executive (RE)</td> <td>1172</td> </tr> <tr> <td>Branch Manager (BM)</td> <td>208</td> </tr> <tr> <td>Area Manager (AM)</td> <td>44</td> </tr> <tr> <td>Zonal Business Head (ZBH)</td> <td>2</td> </tr> <tr> <td>Business Head (BH)</td> <td>10</td> </tr> <tr> <td>Others (HO staff) –</td> <td>257</td> </tr> <tr> <td><b>Total</b></td> <td><b>1699</b></td> </tr> </tbody> </table> <p><b>Performance Appraisal</b></p> <p>All confirmed employees as on 1st of October are eligible to undergo the performance appraisals and eligible to receive increments and bonus accordingly.</p> <ul style="list-style-type: none"> <li>Performance of an employee will be reviewed on a half year (mid-year review) and annual basis (year-end review) on the basis of the individual KPI (Key performance indicator) sheets as per the process laid out by the HR team.</li> <li>It will be the responsibility of the reporting officer to complete the performance appraisal of his/her subordinate timely and forward it to the approver (their own Reporting Officers). The approver would finalize the appraisal with his/her remarks and then send the appraisal sheet to HR department.</li> <li>The annual review will be held in April.</li> <li>Promotions, yearly incentive Pay Outs and salary increments will be subject to the ratings, employee performance and performance of the company, and will be at the sole discretion of the Management</li> </ul>	Particulars	No. of employees	Senior Management	6	Relationship Executive (RE)	1172	Branch Manager (BM)	208	Area Manager (AM)	44	Zonal Business Head (ZBH)	2	Business Head (BH)	10	Others (HO staff) –	257	<b>Total</b>	<b>1699</b>
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<b>Total</b>	<b>1699</b>																		
<p><b>Operational methodology</b></p>	<p>Vedika Credit Capital Limited provides loans to the individual members of groups for undertaking various income generating activities.</p> <p><b>JLG Lending</b></p> <ul style="list-style-type: none"> <li>A dedicated team along with people from operations selects potential areas based on demographic and socio-economic profile.</li> <li>The RO visits the local areas &amp; villages, interacts with potential customers regarding VCCL's retail lending activity and their financial requirement.</li> <li>The company generally tries to form a group of 3-5 people (between the age of 18-58 years).</li> </ul>																		

	<ul style="list-style-type: none"> <li>• After identification of target groups, Compulsory Group Training (CGT) of 1 day duration is arranged by BM in which intending loanee members are invited to participate. In this training programmed, participants are imparted a thorough idea about the loan procedures, interest rate, processing fees and other charges, repayment schedule, insurance benefits and other loan related information etc.</li> <li>• Compulsory Group Training (commonly known as CGT) is a 3 level training programmed to make the clients aware of the products, rules and procedures . By the end of the 3 level training, clients must be well versed with all the terms of the product, rules and procedures related to their social and economic development, the loan application and repayment. Through CGT regular meetings become a habit of the clients. Timeliness and disciplines are systematically taught to clients through CGT which needs to be maintained through the entire programmed.</li> <li>• Intending loanee members shall apply for loan, which shall contain purpose of the loan, loan amount. The RO shall ensure that the loan applications have been properly filled in along with KYC documents and confirm to the loan policy of the organization.</li> <li>• After KYC, each potential member has to go through a “Group Recognition Test (GRT)” for joining/forming a JLG.</li> <li>• For every group there is a group leader selected by the group to manage the operations of the group.</li> </ul>
<p><b>Appraisal process</b></p>	<p>Appraisal Process:</p> <ul style="list-style-type: none"> <li>• Loan application is collected by RO, who then makes a visit to the prospective member’s household and/or business place and examines the credit history, business prospects and other aspects.</li> <li>• RO verifies borrower's repayment capacity through household visit and visit to the business entity or activity.</li> <li>• During appraisal, the documents that are collected from the borrower are photo, id proof, and address proof. The documentation is adequate.</li> <li>• Borrower's repayment capacity is further corroborated by group members.</li> <li>• Then RO submits the loan application to BM along with KYC documents. Branch Manager conducts the appraisal and frames his comments on the loan application. From Branch Manager, the next level of screening is done by the respective Area Manager. After his consent, the proposal goes to the HO credit committee, which includes Chief Operating Officer (Operations) and the Finance &amp; Accounts Departmental Heads for final approval based on the recommendation of the Branch Manager and Area Manager and the past repayment history of the groups.</li> <li>• The operations are centralized with Head Office (HO) having the final authority for loan sanction &amp; disbursement. However, Branch Manager is responsible for loan collection and delinquency management</li> </ul>

	<p><b>Credit Risk:</b></p> <p>To avoid credit risk, VCCL has adopted the following procedures:</p> <ul style="list-style-type: none"> <li>▪ Stringent Know Your Customer (KYC) policy is manifested and maintained.</li> <li>▪ The Audit Executive is responsible for the accuracy of all data entries, documentation, and audit compliance.</li> <li>▪ Field investigations are done by Relationship Executive and Branch Manager.</li> <li>▪ The software automatically prepares enquiry format in the backend for each customer and sends to CIC (through partner’s credentials) and obtains a credit bureau report (CBR). RBI guidelines on multiple lending and client over-indebtedness frame the base criteria for any loan approval. Stringent appraisal system to assess the genuine need of the customer.</li> <li>▪ Centralized connect with each customer for ensuring righteous and timely credit.</li> <li>▪ Effective loan end use verification and loan monitoring mechanism for credit risk management.</li> <li>▪ Constant contact with customer by field functionaries and end use verification.</li> <li>▪ Adoption of UID for all loan disbursed to make the Credit Bureaus Information more reliable and reduce the systemic risk significantly.</li> <li>▪ Credit and HR policies are clearly defined and documented.</li> <li>▪ Credit policies are largely adhered to formation of groups, field verification and credit appraisal.</li> <li>▪ Regular checks in System for better monitoring.</li> </ul>
<p><b>Disbursement process</b></p>	<ul style="list-style-type: none"> <li>• Sanctioning and disbursements of loans are made to the borrowers from Head Office through Bank Accounts of the borrowers after proper verification by the Head Office officials.</li> <li>• In case of any unavoidable circumstances / technical reasons disbursement is made by handing over cash to the borrower in presence of Group Leader, CO and BM.</li> <li>• At the time of disbursements, the promissory note and loan agreement is executed from the borrowers.</li> <li>• Disbursement considered on a day when all members are present in the Branch Office and LPF collected</li> <li>• Borrowers sign their name in the Loan Disbursement Sheet acknowledging the receipt of the loan.</li> <li>• Loan books are provided to borrowers and loan register is maintained at group level.</li> <li>• One copy of loan agreement is provided to the customer as per their request.</li> </ul>

	<ul style="list-style-type: none"> <li>• Vedika’s target is that the gap between the first day of training and disbursement should not exceed 10 days for a new JLG and 7 days from the day of previous loan closure for an old JLG.</li> <li>• Within 30 days of disbursement REs should make a visit to new customers to confirm that the customer is– Satisfied with Vedika’s service Acting in accordance to the agreed terms and conditions of the Loan</li> </ul>
<p><b>Loan collection process</b></p>	<ul style="list-style-type: none"> <li>• Recovery should normally be made only at a central designated place. Field staff shall be allowed to make recovery at the place of residence or work of the borrower only if borrower fails to appear at central designated place on two or more successive occasions.</li> <li>• Loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower. The moratorium shall not be less than the frequency of repayment. (Currently Vedika is following Monthly Repayment but subject to acceptability of Borrower)</li> <li>• The time gap between the date of disbursement and a JLG’s first date of recovery must be at least 30 days, but not more than 60 days.</li> <li>• Vedika practices a system whereby recovery dates are scheduled from Monday to Friday of the first three weeks of the month.</li> <li>• Recoveries are scheduled between 8:00 am to 12 noon.</li> <li>• This ensures 5 slots everyday of 60 minutes each for collecting recoveries at different centers. Center meetings for Recoveries should be completed within 35 minutes; 20 minutes for collection and recording and another 15 minutes for interacting with clients in a friendly manner, enquiring about their well-being, developments in the area and educating them about additional products &amp; services from Vedika.</li> <li>• This will give the RE sufficient time to reach the next center on time.</li> <li>• The BM should generate the Collection Sheet from the software for every RE a day before recoveries are due and hand it over to the RE. The RE should carry this sheet with them during the entire recovery.</li> <li>• The RE should sign the Loan Repayment Books JLG wise as soon as the repayment is received and make an entry in the Collection Sheet.</li> <li>• In the Collection Sheet, each customer should be marked ‘P’ or ‘A’ (i.e. Present or Absent) depending on her presence at the Center on that day. The reason for the client’s absence must be noted in the CAR.</li> <li>• All RE’s should be available at the Branch Office latest by 1:30 pm on recovery days. The demand for a particular day must always be written on the White Board in the evening of the previous day and the collection actually made, should be written immediately after a RE comes back from the field at 1:30 pm.</li> </ul>
<p><b>Overdue management process</b></p>	<ul style="list-style-type: none"> <li>• Adequate risk management system for tracking over-dues and collection of delinquent loans is in place.</li> </ul>

	<ul style="list-style-type: none"> <li>• In the initial stages of over-due, RO does the follow up and if the overdue period is elongated then the BM steps in to make recovery. There is a well-defined process laid out for follow-up and collection of delinquent loans based on overdue bucket. In case of other cases, intervention of HO is done.</li> </ul>
<p><b>Management Information Systems</b></p>	<ul style="list-style-type: none"> <li>• The company uses a robust and scalable Loan Management Software, namely “SWATAH” developed by inhouse IT team of VCCL.</li> <li>• This is used for maintaining MIS which will help the company better to manage the customer loan lifecycle.</li> <li>• It is very user-friendly software which enables proper tracking and maintaining of MIS and preparation of reports within a minute</li> <li>• The company has also implemented a technology enabled inbound and outbound service and also to redress their grievances.</li> <li>• In addition, the company has commenced digitization of all documents and records for easy storage and retrieval. The financial accounts are maintained in Tally software. VCCL takes two copies of back-up on hard disk weekly.</li> <li>• The hard-disk is placed under lock and key in the HO. A second copy of the hard disk is kept in the residence of the secretary.</li> <li>• All the branches are being computerized. The loan documentation process is maintained as individual basis.</li> <li>• The types of reports is being generated like – Branch Summary, Demand vs Collection, PAR Report, Disbursement and Repayment Report, Outstanding Report, Route Plan, Insurance Report, Performance Report etc.</li> </ul>
<p><b>Cash management systems</b></p>	<ul style="list-style-type: none"> <li>• Vedika Credit Capital Limited has reasonable cash management systems in place at all branches.</li> <li>• Vedika Credit Capital Limited has opened separate bank accounts for each of the branches</li> <li>• Branches deposits cash in the branch bank account on the same day or next day of collection. Cash vaults/Almirah is present at every branch for safe keeping of cash.</li> <li>• Funds that need to be transferred from HO to branches are done through RTGS. Salaries of the employees and reimbursement of expenses are paid in respective bank account.</li> <li>• The details of transactions for the day are updated in the MIS daily.</li> </ul>
<p><b>Insurance</b></p>	<ul style="list-style-type: none"> <li>• Vedika provides life insurance cover to its customers and their Spouse/nominee separately equal to the Loan amount taken in collaboration with EXIDE Company Exide company at present or any insurance company adopted for business by corporate office to be eligible for life insurance cover, at the time of taking the Loan, a customer and her spouse should satisfy the following conditions: Aged 18 – 60 years</li> </ul>

	<p>Healthy Not be pregnant</p> <ul style="list-style-type: none"> <li>The insurance cover lasts till the end of the scheduled Loan tenure or the Loan is closed, whichever is earlier. Death due to suicide is not covered under the insurance policy.</li> <li>If either the customer or spouse dies, and the claim is accepted by EXIDE, the insurance cover for the other person automatically expires.</li> <li>In the event of a death, the following documents are required per Vedika policy:</li> </ul>										
	<table border="1"> <thead> <tr> <th style="background-color: #e0e0e0;">Cause of Death</th> <th style="background-color: #e0e0e0;">Documents Required</th> </tr> </thead> <tbody> <tr> <td><b>In all cases of death</b></td> <td> <ul style="list-style-type: none"> <li>Death Certificate issued by the municipal</li> <li>Age Proof - that was submitted at the time</li> <li>Loan related documents (Regn. CIF, app agreement. &amp; Loan Repayment Book)</li> <li>In case of spouse death, evidence that they were married to each other (Marriage Card, Ration Card, Birth Certificate of child)</li> </ul> </td> </tr> <tr> <td><b>Natural Death with hospitalization</b></td> <td> <ul style="list-style-type: none"> <li>Hospital Reports</li> <li>Doctors Certificate stating cause of Death</li> </ul> </td> </tr> <tr> <td><b>Accidental Death without Hospitalization</b></td> <td> <ul style="list-style-type: none"> <li>FIR and post-mortem report</li> </ul> </td> </tr> <tr> <td><b>Accidental Death with Hospitalization</b></td> <td> <ul style="list-style-type: none"> <li>FIR and post-mortem report</li> <li>Hospital Reports</li> <li>Doctors Certificate stating cause of Death</li> </ul> </td> </tr> </tbody> </table>	Cause of Death	Documents Required	<b>In all cases of death</b>	<ul style="list-style-type: none"> <li>Death Certificate issued by the municipal</li> <li>Age Proof - that was submitted at the time</li> <li>Loan related documents (Regn. CIF, app agreement. &amp; Loan Repayment Book)</li> <li>In case of spouse death, evidence that they were married to each other (Marriage Card, Ration Card, Birth Certificate of child)</li> </ul>	<b>Natural Death with hospitalization</b>	<ul style="list-style-type: none"> <li>Hospital Reports</li> <li>Doctors Certificate stating cause of Death</li> </ul>	<b>Accidental Death without Hospitalization</b>	<ul style="list-style-type: none"> <li>FIR and post-mortem report</li> </ul>	<b>Accidental Death with Hospitalization</b>	<ul style="list-style-type: none"> <li>FIR and post-mortem report</li> <li>Hospital Reports</li> <li>Doctors Certificate stating cause of Death</li> </ul>
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<ul style="list-style-type: none"> <li>In the event of customer death, the BM and RE should follow the below procedure: <ol style="list-style-type: none"> <li>The BM and RE should mandatorily visit the customer's house and meet the immediate family.</li> <li>After visiting the customer's family, the BM should email to HO Admin about the incident mentioning customer name, Loan number, Canter / Bazaar name, Loan amount, date of disbursement and any other relevant information</li> <li>BM should inform the client's family about the various types of documents which will be required for claim processing.</li> <li>The BM must submit a written report covering details of the incident on the basis of this visit along with the Insurance Claim application and the Insurance claim documents received from the client's family to RO/HO within 30 days of the incident. If submitted to RO, RO will courier the documents to HO in 2 working days</li> <li>HO will confirm the receipt of all claim related documents from branches/RO over email in 2 working days and forward them to EXIDE in 3 working days.</li> <li>Once all required documents have been submitted to EXIDE and they are found to be in order, they would normally take 7 days to process the claim and make the claim payment to Vedika.</li> <li>HO will deduct the Loan amount due (principal &amp; interest) from the customer and transfer the balance to the disbursement account of the concerned Branch within 3 working days of receiving the money</li> </ol> </li> </ul>											

	<p>from EXIDE.</p> <ol style="list-style-type: none"> <li>8. The Accounts Department will give intimation of funds transfer to the branch on same day and Branch should pay to the nominee within 5 days of receipt.</li> <li>9. The BM accompanied by the RE will make the payment to the nominee at the field in the presence of at least 2 JLG members.</li> <li>10. While paying the claim amount to the nominee, the BM and RE should ensure that a settlement form is signed by the nominee where two other JLG members, the BM and RE should sign as witnesses.</li> <li>11. The settlement form must be couriered to HO Admin within 2 days of settlement of claim</li> </ol>
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### SCALE OF OPERATIONS

Key Factors	As on March 31, 2023
<b>Client base (Number)</b>	<ul style="list-style-type: none"> <li>• Vedika Credit Capital Limited extends loans to JLG and Individual Loans.</li> <li>• The JLG groups associated with VCCL have all women members.</li> <li>• Number of active JLG groups as on March 31, 2023, was 71430 groups with 313797 active borrowers.</li> </ul>
<b>Assets under management</b>	<ul style="list-style-type: none"> <li>• Loan disbursed during FY2023 was Rs. 490.05 crore</li> <li>• Total outstanding loan portfolio stood at Rs. 771.65% crore as on March 31, 2023.</li> </ul>
<b>Geographical diversification</b>	<ul style="list-style-type: none"> <li>• Presence in 94 districts of 7 states with 192 branches as on March 31, 2023</li> </ul>
<b>Total income</b>	<ul style="list-style-type: none"> <li>• Total income stood at Rs. 166.60 crore in FY23</li> </ul>
<b>Current year performance during 9 MFY23</b>	<ul style="list-style-type: none"> <li>• The company has total income of Rs. 105.03 crore along with PAT of Rs. 11.74 crore in 9 MFY23.</li> </ul>

## Operational Sustainability

Operational Sustainability	
<b>Second line of leadership</b>	<ul style="list-style-type: none"> <li>Majority of the senior members understand the issues involved in day-to-day functioning.</li> <li>Involved in strategic decisions as they have developed a good understanding of the microfinance sector.</li> <li>Senior members are experienced in fields like microfinance, banking, financial, audit, risk and social developmental activities.</li> </ul>
<b>Competition</b>	<ul style="list-style-type: none"> <li>Vedika Credit Capital Limited is operating in the 7 states i.e. Assam, Bihar, Jharkhand, Odisha, Tripura, Uttar Pradesh and West Bengal and the states has high penetration of MFIs given the limited reach of the formal banking system. However, the company is mostly targeting areas which still have limited competition.</li> <li>As on March 31, 2023, VCCL portfolio is concentrated in the state of West Bengal accounting for ~32.79 percent, and ~ 67.21% percent in other 6 states.</li> <li>To mitigate any potential risk arising out of geographical concentration, VCCL has been diversifying its presence across states.</li> </ul>
<b>Industry Outlook</b>	<p style="text-align: center;"><b>Industry Risk Analysis</b></p> <ul style="list-style-type: none"> <li>Credit risk is the most common risk for MFI. The risk is of greater significance for MFIs as it has to deal with a large number of clients with limited literacy. Further, MFI provides unsecured loans, i.e. loans without any collateral.</li> <li>Transaction risk is related to the individual borrower with which the MFI is transacting. A borrower may not be trustworthy and capable of repaying loans which will result in loss of loan. All loss of loan related to the delinquency of individual clients which can be because the client's migration, willful defaulting, business failure, etc.</li> <li>Portfolio risk is related to factors, which can result in a loss in a particular class or segment of the portfolio. For example, an MFI may lose a portfolio with a particular community, locality, or a particular trade due to some external reasons. These reasons could be political, communal, failure of an industry /trade, etc.</li> <li>Delinquencies can also happen as an aftermath of a natural disaster such as floods, drought, earthquakes, or epidemic.</li> </ul> <p style="text-align: center;"><b>Industry Outlook:</b></p> <ul style="list-style-type: none"> <li>During the first COVID wave, the rural portfolio was impacted to a lesser extent than the urban portfolio and thus saw a faster recovery as disbursements also recovered especially in the second half (2H) of FY2021-22.</li> <li>The incidence of most of the relevant provisions will also fall in FY2022, given that the bulk of the second wave portfolio deterioration would happen at the beginning of FY2022.</li> <li>The impact of the credit costs on account of the second wave, would be higher in the annual financials for FY2022 than FY2021 and</li> </ul>

	<p>possibly even the demonetisation crisis where credit costs were spread over three years as the event occurred at end-third quarter (3Q) of FY2016-17.</p> <ul style="list-style-type: none"> <li>• Smooth access to funding and liquidity would be critical for the MFI sector. For most large MFIs with assets under management (AUM) above Rs50 billion or MFIs that are part of large groups, bank funding lines could continue and hence they may not face immediate liquidity stress. Mid and small MFIs shall continue to face challenges in fund raising and or borrowing costs.</li> <li>• The microfinance industry is likely to face asset quality pressures in the near term due to the recent surge in COVID-19 infections and localised restrictions. However, a majority of micro finance institutions (MFIs) will be able to withstand any stress due to their improving collection efficiency and good on-balance sheet liquidity.</li> <li>• Improvement in collection efficiency and pickup in growth in AUM in H2 FY2021 has helped the industry witness marginal improvement in the overdue portfolio (0+ days past due (dpd)) to 16.7 per cent as on December 31, 2020.</li> <li>• The industry also witnessed reduction in the overall cost of funds during this period. However, despite this, the industry is expected to witness reduction in net interest margins (NIMs). This is owing to reduced interest income with portfolio growth happening only towards H2 FY2021 and negative carry because of excess on-book liquidity.</li> <li>• Nevertheless, the pick-up in AUM growth in FY2022, along with the increase in provision cover in FY2021, is expected to drive profitability upwards in FY2022, though the same is likely to remain below pre-Covid profitability level.</li> </ul>
<b>Loan Products</b>	<p>Vedika Credit Capital Limited offer three loan products as on November 30, 2023. A detail on the loan product is provided in the <b>Annexure 3</b>.</p> <p>The company follows individual loan via Group approach to extend the loans to individual and small enterprises through MSME lending operations.</p>
<b>Access to funds and ability to raise funds</b>	<p>Vedika Credit Capital Limited has access to funds from bank, NBFC and financial institutions on the back of its satisfactory operational and repayment track record.</p>
<b>Vision</b>	<p>In coming years, Vedika Credit Capital Limited plans to expand its branch network in and around the above-mentioned states.</p>
<b>Efforts to increase outreach and coverage</b>	<p>Vedika Credit Capital Limited is expecting significant increase in its income from micro financing activities with proposed scaling up of its operations in other districts of the existing states.</p> <p>Microfinance business was in a subdued state since last few years as the financial institutions have reduced lending to microfinance sector due to occurrence of some chit fund activities and covid impact on the rural economy.</p>

## ANNEXURES

### Annexure 1: Past and Projected Financials

(Rs. Crore)

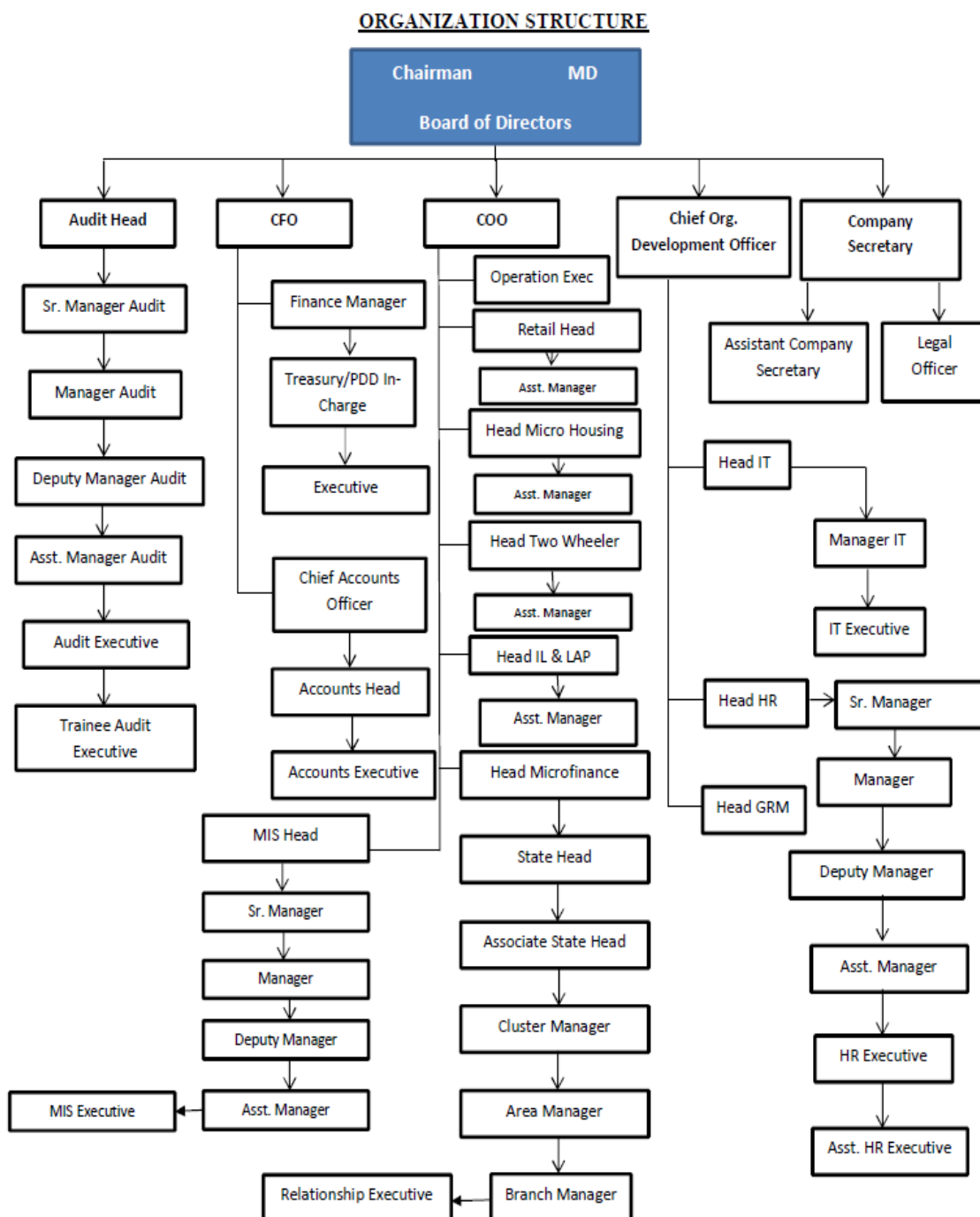
For the year ended	31/03/22	31/03/23	31/03/24
	Audited	Audited	Projection
Interest income from Loan Portfolio	99.65	148.64	206.70
Dividend / Profit on sale of investments	0.48	0.74	1.33
Other Interest Income	2.58	3.52	5.75
Fee based income	10.14	13.69	28.14
<b>Total Income</b>	<b>112.86</b>	<b>166.60</b>	<b>241.93</b>
Operating Expenses	14.66	22.83	82.46
Depreciation on owned assets	0.50	0.53	0.86
Provision for Std. Assets & NPA/ Write-off	-16.75	-	7.70
Employee Benefit Expenses	23.14	30.61	-
Other Expenses	-	6.02	5.31
Total Expenditure	21.56	59.99	96.33
<b>PBIT</b>	<b>91.29</b>	<b>106.61</b>	<b>145.60</b>
Interest	61.59	83.20	112.17
<b>Total Operating profit</b>	<b>29.70</b>	<b>23.41</b>	<b>33.42</b>
<b>PBT</b>	<b>29.70</b>	<b>23.41</b>	<b>33.42</b>
Income Tax	3.22	5.56	9.02
<b>PAT (before deferred taxation)</b>	<b>26.48</b>	<b>17.85</b>	<b>24.40</b>
Deferred taxation	3.23	0.84	-1.93
<b>PAT (after deferred taxation)</b>	<b>23.25</b>	<b>17.01</b>	<b>26.33</b>

**Balance Sheet**
**(Rs. crore)**

<b>Particulars</b>	<b>31-Mar-23</b>	<b>31-Mar-24</b>	<b>31-Mar-25</b>
	<b>Audited</b>	<b>Audited</b>	<b>Projected</b>
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>	<b>103.55</b>	<b>156.23</b>	<b>251.59</b>
Share capital	26.46	32.14	34.14
Reserves and surplus	78.24	125.12	189.45
<b>Non-current liabilities</b>			
Long-term borrowings	-	-	509.58
Long-term provisions for loans	1.80	4.03	-
<b>Deferred tax liabilities</b>	<b>2.23</b>	<b>5.56</b>	-
<b>current liabilities</b>			
NCD	20.00	42.90	-
Unsecured Loans	32.00	29.00	-
Term Loans from Bk & FIs	589.53	664.67	416.93
Other provisions	-	-	39.58
Other-Current liabilities	9.52	15.06	14.40
<b>Total</b>	<b>758.63</b>	<b>917.45</b>	<b>1232.08</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Deferred Tax Asset	2.69	1.85	-
Loan Portfolio	-	-	450.25
Other non-current assets (Fixed Deposit)	5.00	5.89	77.72
Total Fixed Assets	2.02	2.50	4.41
<b>Current assets</b>			
Loan Portfolio (Current Portion)	564.06	750.04	573.02
Current Investment	-	-	53.54
Short Term Deposit	0.50	0.42	-
Other Current Assets	102.52	71.96	21.11
Cash & Bank Balances	81.85	84.79	52.04
<b>Total</b>	<b>758.63</b>	<b>917.45</b>	<b>1232.08</b>

## ANNEXURE 2: Organisational Structure

Vedika Credit Capital Limited has a well-defined organisation structure, with clear departmental demarcation. All major departments are controlled from head office.



### ANNEXURE 3: Loan Products

S N O.	Loan Product Name	Age Limit	Brief Description	Tenure	Collection Frequency	State (Area of Working)	Min & Max Loan Ticket Size	P. F.	R OI
1	<b>Joint Liability Group (JLG)</b>	18-59	Small Business, Agri & allied Agri activities	18-24 months	Monthly	Bihar, Jharkhand, West Bengal, UP, Assam, Odisha, Tripura	INR 20,000 to 50,000	1%	27%
2	<b>Individual Loan</b>	18-59	Business expansion, Micro Housing, WASH & EV	24-48 months	Monthly		INR 50,000 to 1,50,000	1%	27%
3	<b>Loans for Consumer Durables</b>	18-59	Purchase of Consumer durables to existing client only	3-12 months	Monthly		INR 999 to 20,000	1%	27%

### Annexure 4: Asset Profile

(Rs crore)

Particulars	March 31, 2021		March 31, 2022		March 31, 2023	
	Amount	%	Amount	%	Amount	%
Loan portfolio Actual	341.44	72.79%	580.54	75.07%	771.65	82.51%
Investments	0.00	0.00%	0.00	0.00%	0.00	0.00%
Fixed Assets	3.59	0.77%	3.18	0.41%	3.53	0.38%
Deferred Tax Assets	5.91	1.26%	2.69	0.35%	1.84	0.20%
Cash & Bank Balances	85.67	18.26%	143.45	18.55%	149.10	15.94%
Other current assets	32.47	6.92%	43.47	5.62%	9.13	0.98%
<b>Total Assets</b>	<b>469.08</b>	<b>100.00%</b>	<b>773.33</b>	<b>100.00%</b>	<b>935.25</b>	<b>100.00%</b>

*\*Excluding impairment loss allowance*

- Loan portfolio comprises major portion of the asset book.
- Other current assets primarily represent other short-term loan and advances.

### Annexure 5: Diversified resource profile

	FY21	FY22	FY23
Net worth	88.11	106.70	158.25
Term Loans banks and financial institutions	297.47	592.15	666.53
Bank borrowing (CC)	-	-	-
Unsecured Loans	-	-	-
NCD	20.00	20.00	42.90
Preference share capital	3.00	2.00	1.00

The company's resources mainly comprise term loans from banks and other financial institutions, apart from the net worth. These are long-term loans and carry floating interest rates with pre-defined maturities.

### Annexure 6: Portfolio Details

#### 6.1 State-wise portfolio concentration

(Rs. Crore)

State	FY21		FY22		FY23	
	Rs.	%	Rs.	%	Rs.	%
Assam	24.03	7.04%	30.70	5.29%	52.24	6.77%
Bihar	73.99	21.67%	109.80	18.91%	147.13	19.07%
Jharkhand	46.80	13.71%	83.65	14.41%	92.46	11.98%
Odisha	17.20	5.04%	56.34	9.70%	61.48	7.97%
Tripura	25.77	7.55%	57.01	9.82%	79.54	10.31%
UP	27.27	7.99%	57.67	9.93%	85.80	11.12%
West Bengal	126.38	37.01%	185.38	31.93%	253.01	32.79%
<b>Total</b>	<b>341.44</b>	<b>100.00%</b>	<b>580.55</b>	<b>100.00%</b>	<b>771.65</b>	<b>100.00%</b>

#### 6.2 Purpose wise loan outstanding

(Rs crore)

Particulars	FY20		FY21		FY22	
	Rs	%	Rs	%	Rs	%
Agri	85149	139.63	81409	166.66	123381	293.54
Business	92132	201.81	173240	413.89	190416	478.11
<b>Total</b>	<b>177281</b>	<b>341.44</b>	<b>254649</b>	<b>580.55</b>	<b>313797</b>	<b>771.65</b>

#### 6.3 Loan cycle wise loan outstanding

(Rs. crore)

Amount	FY22	FY23
	Amount	Amount
Up to 10k	7.10	6.17
Above 10 to 20K	20.43	12.40
Above 20K to 30K	253.88	236.42
Above 30k to 50K	190.46	341.04
Above 50K	108.68	175.63
<b>Total</b>	<b>580.55</b>	<b>771.65</b>

**6.4 Asset Liability Maturity Profile as on 31<sup>st</sup> March 2023**
**(Rs. In Crore)**

<b>Outflows</b>	<b>1 to 14 days</b>	<b>Over 14 days to one month</b>	<b>Over one month to 2 months</b>	<b>Over 2 months to 3 months</b>	<b>Over 3 Months upto 6 months</b>	<b>Over 6 Months upto 1 year</b>	<b>Over 1 year upto 3 years</b>	<b>Over 3 years upto 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
Equity Share Capital	-	-	-	-	-	-	-	-	32.14	32.14
Preference Share Capital	-	1.00	-	-	-	-	-	-	-	1.00
Reserve and Surplus	-	-	-	-	-	-	-	-	125.12	125.12
Borrowings	13.03	16.56	29.68	30.49	104.68	130.60	381.49	30.90	-	737.43
Other Liabilities	7.05	4.41	0.24	1.21	5.56	0.28	-	-	-	18.75
Provisions	2.07	2.53	4.01	4.45	3.44	4.30	-	-	-	20.80
<b>A. TOTAL OUTFLOWS</b>	22.15	24.50	33.93	36.15	113.68	135.18	381.49	30.90	157.26	935.24
<b>B. Cumulative Outflows</b>	22.15	46.65	80.58	116.73	230.41	365.59	747.08	777.98	935.24	
<b>Inflows</b>	-	-	-	-	-	-	-	-	-	-
Cash & Equivalents	42.11	-	-	-	-	-	-	-	-	42.11
Deposits	5.26	4.91	0.00	0.00	8.57	23.92	64.33	-	-	106.99
Loan Portfolio	16.13	20.58	35.54	39.97	99.47	216.08	343.88	-	-	771.65
Other Assets	2.01	2.38	1.05	0.75	1.48	1.45	1.84	-	3.53	14.49
<b>C. TOTAL INFLOWS</b>	65.51	27.87	36.59	40.72	109.52	241.45	410.05	0.00	3.53	935.24
<b>D. Mismatch (C - A)</b>	43.36	3.37	2.66	4.57	-4.16	106.27	28.56	-30.90	153.73	0.00
<b>E. Mismatch as % to outflows (D as % to A)</b>	195.76%	13.76%	7.84%	12.64%	-3.66%	78.61%	7.49%	-100.00%	97.76%	-
<b>F. Cumulative Mismatch</b>	43.36	46.73	49.39	53.96	49.80	156.07	184.63	153.73	0.00	-

### 6.5 Maturity profile of portfolio

(Rs. crore)

As on March 31	FY21			FY22			FY23		
	No. of loans	Value of Portfolio	%	No. of loans	Value of Portfolio	%	No. of loans	Value of Portfolio	%
ONTIME	162649	312.80	91.61%	233821	535.37	92.22%	295837	729.06	94.48%
1-30 DAYS	4142	10.03	2.94%	5419	15.67	2.70%	7958	19.06	2.47%
31-60 DAYS	1922	6.11	1.79%	3249	8.82	1.52%	3748	8.80	1.14%
61-90 DAYS	1989	4.96	1.45%	4221	9.00	1.55%	3578	7.87	1.02%
91-180 DAYS	3224	5.86	1.72%	5688	8.89	1.53%	2676	6.87	0.89%
MORE THAN 180 DAYS	3355	1.68	0.49%	2251	2.79	0.48%	0	0.00	0.00%
<b>Total portfolio</b>	<b>177281</b>	<b>341.44</b>	<b>100.00%</b>	<b>254649</b>	<b>580.55</b>	<b>100.00%</b>	<b>313797</b>	<b>771.65</b>	<b>100.00%</b>

## 6.6 Bifurcation of AUM: (Rs. crore)

Period ended	Mar 31, 2020	Mar 31, 2021	Mar 31, 2022	Mar 31, 2023
Managed portfolio (BC etc.)	192.90	170.97	165.17	325.47
Own loan portfolio	422.32	341.44	580.55	771.65
<b>AUM (Rs.cr.)</b>	<b>615.22</b>	<b>512.41</b>	<b>745.72</b>	<b>1097.12</b>

During FY23, own portfolio has increased with significant increase in disbursement during FY23. However, the company is trying to reduce its dependency on BC portfolio to improve its profitability.

Period ended	Mar 31, 2022	Mar 31, 2023
<b>AUM (Rs.cr.)</b>	<b>745.72</b>	<b>1097.12</b>
Managed portfolio (BC etc.)	165.17	325.47
Own loan portfolio	580.55	771.65
<b>Less: Processing fees deferment and reclassification as of FY22 and FY23</b>	<b>2.07</b>	<b>4.85</b>
<b>Less: Impairment Loss allowance as of FY22 and FY23</b>	<b>14.43</b>	<b>16.76</b>
<b>Total</b>	<b>564.05</b>	<b>750.04</b>

As per the balance sheet which we calculated the total loan portfolio on basis of final value after deduction such as less impairment loss allowance and processing fees deferment & Reclassification, so the final values coming as 750.04 crores as of 31<sup>st</sup> March 2023 as compared to 564.05 crore as of FY2022.

## 6.7 Repayment and Collection (projected) (Rs Crore)

	FY23	FY24	FY25	FY26
	Past	Projected		
<b>Repayment per month</b>				
April	29.31	33.28	34.94	36.68
May	30.05	33.19	34.86	36.71
June	30.33	33.52	35.02	36.89
July	32.95	49.95	35.17	37.13
August	30.56	33.95	35.44	37.41
September	30.86	33.97	35.66	37.64
October	29.85	34.11	35.82	37.89
November	30.12	34.35	36.06	38.14
December	30.48	34.86	36.34	38.25
January	30.92	34.89	36.44	38.64
February	29.82	34.95	36.59	38.92
March	32.07	34.84	36.61	39.24
<b>Average Collection per month</b>	<b>32.49</b>	<b>38.67</b>	<b>44.60</b>	<b>53.52</b>