

# Vedika Credit Capital Limited

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

November 30, 2022

Grading Type	Amount	Grading Assigned
MFI Grading	Not Applicable	<b>MFI 1</b>

MFI Grading	
<b>IAR MFI 1</b>	<p style="text-align: center;"><b>MFI Grading Scale at Infomerics Grading</b></p> <p>The MFI Grading Scale at Infomerics Analytics &amp; Research is on an 8 Point Scale from IAR MF1 to IAR MF8 with IAR MF1 corresponding to highest grade while IAR MF8 is the lowest grade.</p> <p>The MFI grades assigned refer to the ability of the MFI to manage its operations in a sustainable manner; they do not refer to the credit quality of the MFI and should not be used as a proxy for the creditworthiness of the company</p>
<b>IAR MFI 2</b>	
<b>IAR MFI 3</b>	
<b>IAR MFI 4</b>	
<b>IAR MFI 5</b>	
<b>IAR MFI 6</b>	
<b>IAR MFI 7</b>	
<b>IAR MFI 8</b>	

## Table of Content

---

<b>Sl.No</b>	<b>Particulars</b>	<b>Page Number</b>
1	General Information	3
2	Brief Profile of the Organization	4
3	Mission & Vision	4
4	Promoters/Director's Details	5-13
5	Transparency	14-15
6	Operational Setup	16-21
7	Sustainability	22
8	Asset Quality (NPA Profile)	23
9	Operational Sustainability	24-25
10	Annexures 1: Past and Projected Financial	26
11	Annexures 2: Organisational Structure	27
12	Annexure 3: Loan Products	28
13	Annexure 4: Diversified Resource Profile	29
14	Annexure 5: Portfolio Details	29-33
15	Appendix	34

## General Information

<b>Name of the MFI</b>	Vedika Credit Capital Limited	
<b>Registered Office/ Corporate Office</b>	406, Shrilok Complex, 4th Floor, HB Road, Ranchi-834001	
<b>Date of Incorporation</b>	March 15, 1995 (NBFC Operation 1998)	
<b>Date of Commencement of Microfinance Business</b>	2007	
<b>CIN</b>	U67120WB1995PLC069424	
<b>Legal Status</b>	Non-Banking Finance Company (NBFC-MFI)	
<b>Nature of Business</b>	Joint Lending Group (JLG)	
<b>Geographical Reach as on March 31, 2022</b>	No. of States	7
	No. of Districts	94
	No. of Branches	192
	No. of Active Borrowers	254649
	No. of Total Employees	1149
	No. of Field/Credit Officers	950
<b>Managing Director</b>	Mr. Gautam Jain	

## 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 2007 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 2,50,000 clients.
- Beside direct lending, the company also entered into a partnership to work as a Business Correspondence (BC) with Fincare Small Finance Bank and MAS Financial Services Limited wherein VCCL manages the entire micro finance operation for designated areas on behalf of banks/FI's for a certain fee income.
- As on March 31, 2022, VCCL is managing a total loan portfolio of Rs.745.72 crore (including managed portfolio under Business correspondence model from various FIs aggregating to Rs.165.17 crore.). Furthermore, the same has increased to Rs.752.55 crore (where BC proportion was of Rs.173.29 cr) as on June 30, 2022 and the same stood at ~Rs.764 crore as on August 31, 2022 (own 572 and BC 192).
- Currently, the operations of the company are managed by Mr. Ummed Mal Jain, Chairman and Mr Gautam Jain (Managing Director) & Mr. Vikram Jain– (Whole Time Director) along with other four directors and a team of experienced personnel.

## **Mission & Vision of Vedika Credit Capital Limited**

---

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.”

Infomerics Analytics & Research

**Promoters/Director's Details:**

Name	Age	Designation In the board	Education Qualification	Brief Profile	Total Years of Experience
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 Mr. Ummed Mal Jain and under his tutelage, he started managing the finance business of the family. He is a Fund Management	Over 20 years

Name	Age	Designation In the board	Education Qualification	Brief Profile	Total Years of Experience
				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 advises 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 qualification is LL.B & LL.M in n Customary Law & Tribal Governance. He has associated with NGO's and deep knowledge of Rural Tribal area belongs in Jharkhand.	Over 10 years

Name	Age	Designation In the board	Education Qualification	Brief Profile	Total Years of Experience
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 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</p>	Over 40 years

Name	Age	Designation In the board	Education Qualification	Brief Profile	Total Years of Experience
				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 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 & worked in various capacities. Having more than 37 years of Banking experience in various	Over 30 years

Name	Age	Designation In the board	Education Qualification	Brief Profile	Total Years of Experience
				<p>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>	

## 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 2007, 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. 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 through 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 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 Executive (RE), 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 different departments, all having considerable experience in their area of expertise.</li> </ul>

	<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 Executive should look after the Branch administration and decorum.</li> <li>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 fields of microfinance, banking, financial, audit, risk and social developmental activities.</li> <li>Majority of the senior members understand the issues involved in day-to-day functioning and are involved in 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 induction schedule will be prepared as per the below mentioned guidelines.</li> </ul> <table border="1" data-bbox="424 1211 1430 1787"> <thead> <tr> <th>Inductee</th> <th>Duration of Induction</th> <th>Break-up</th> </tr> </thead> <tbody> <tr> <td>RE</td> <td>13 days</td> <td> <ul style="list-style-type: none"> <li>10 days of field visit</li> <li>3 days of classroom session</li> </ul> </td> </tr> <tr> <td>BM</td> <td>25 days</td> <td> <ul style="list-style-type: none"> <li>15 days of field visit</li> <li>2 days of area survey and presentation</li> <li>5 days of classroom session</li> <li>2 days of MIS training</li> <li>1 days training on soft skills</li> </ul> </td> </tr> <tr> <td>AM</td> <td>30 days</td> <td> <ul style="list-style-type: none"> <li>20 days of field visit</li> <li>1 days of area survey and presentation</li> <li>5 days of classroom session</li> <li>3 days of MIS training</li> <li>1 days training on soft skills</li> </ul> </td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>For new employees joining in head office or regional office staff the induction schedule will be prepared as per the below mentioned guidelines.</li> </ul> <table border="1" data-bbox="424 1910 1430 1973"> <thead> <tr> <th>Inductee</th> <th>Duration of Induction</th> <th>Break-up</th> </tr> </thead> </table>	Inductee	Duration of Induction	Break-up	RE	13 days	<ul style="list-style-type: none"> <li>10 days of field visit</li> <li>3 days of classroom session</li> </ul>	BM	25 days	<ul style="list-style-type: none"> <li>15 days of field visit</li> <li>2 days of area survey and presentation</li> <li>5 days of classroom session</li> <li>2 days of MIS training</li> <li>1 days training on soft skills</li> </ul>	AM	30 days	<ul style="list-style-type: none"> <li>20 days of field visit</li> <li>1 days of area survey and presentation</li> <li>5 days of classroom session</li> <li>3 days of MIS training</li> <li>1 days training on soft skills</li> </ul>	Inductee	Duration of Induction	Break-up
Inductee	Duration of Induction	Break-up														
RE	13 days	<ul style="list-style-type: none"> <li>10 days of field visit</li> <li>3 days of classroom session</li> </ul>														
BM	25 days	<ul style="list-style-type: none"> <li>15 days of field visit</li> <li>2 days of area survey and presentation</li> <li>5 days of classroom session</li> <li>2 days of MIS training</li> <li>1 days training on soft skills</li> </ul>														
AM	30 days	<ul style="list-style-type: none"> <li>20 days of field visit</li> <li>1 days of area survey and presentation</li> <li>5 days of classroom session</li> <li>3 days of MIS training</li> <li>1 days training on soft skills</li> </ul>														
Inductee	Duration of Induction	Break-up														

	<b>For Operations Department</b>	30 days	9-10 days of field visit ( shadow with AM handling new area setup + 2 days Shadow with AM handling old Area Setup)																			
			4-5 days interaction with other departments																			
			15 days on job training																			
	<b>For other department</b>	15days																				
			4-5																			
			15 days on job training																			
<ul style="list-style-type: none"> <li>For promoted staff the induction schedule will be prepared as per the below mentioned guidelines</li> </ul>																						
<table border="1"> <thead> <tr> <th>Inductee</th> <th>Duration of Induction</th> <th>Break-up</th> </tr> </thead> <tbody> <tr> <td rowspan="3"><b>Promoted BM</b></td> <td rowspan="3">9-10 days</td> <td>6 days of field visit</td> </tr> <tr> <td>2 days of classroom session</td> </tr> <tr> <td>1 day MIS training</td> </tr> <tr> <td rowspan="3"><b>Promoted AM</b></td> <td rowspan="3">11 days</td> <td>6 days of field visit</td> </tr> <tr> <td>4 days of classroom session</td> </tr> <tr> <td>1 day MIS training</td> </tr> <tr> <td rowspan="4"><b>Promoted AE</b></td> <td rowspan="4">15 days</td> <td>3 days of field visit</td> </tr> <tr> <td>8 days of classroom session</td> </tr> <tr> <td>2 days of MIS Training</td> </tr> <tr> <td>2 days of training on Soft skills</td> </tr> </tbody> </table>				Inductee	Duration of Induction	Break-up	<b>Promoted BM</b>	9-10 days	6 days of field visit	2 days of classroom session	1 day MIS training	<b>Promoted AM</b>	11 days	6 days of field visit	4 days of classroom session	1 day MIS training	<b>Promoted AE</b>	15 days	3 days of field visit	8 days of classroom session	2 days of MIS Training	2 days of training on Soft skills
Inductee	Duration of Induction	Break-up																				
<b>Promoted BM</b>	9-10 days	6 days of field visit																				
		2 days of classroom session																				
		1 day MIS training																				
<b>Promoted AM</b>	11 days	6 days of field visit																				
		4 days of classroom session																				
		1 day MIS training																				
<b>Promoted AE</b>	15 days	3 days of field visit																				
		8 days of classroom session																				
		2 days of MIS Training																				
		2 days of training on Soft skills																				
<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>Fixed Pay: The fixed pay includes Basic and a fixed amount as allowance.</li> <li>Other Expenses: 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> <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 1211 employees of which 760 are Relationship Executive as on October 31, 2022.</li> </ul> </li> </ul>																						
<b>Particulars</b>			<b>No.</b>																			

	Senior Management	6
	Relationship Executive	760
	Branch Manager	192
	Area Manager	48
	Zonal Business Head	2
	Business Head	7
	HO Staffs	196
	<b>Total</b>	<b>1211</b>
	<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>	
<b>Operational methodology</b>	<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> <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</li> </ul>	

	<p>versed with all the terms of the product, rules and procedures related to their socially and economic development the loan application and repayment. Through CGT regular meeting becomes a habit of the clients. Timeliness and disciplines are systematically taught to clients through CGT which needs to be maintained through the entire programmed.</p> <ul style="list-style-type: none"> <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><b>Appraisal Process:</b></p> <ul style="list-style-type: none"> <li>• Loan application is collected by RE, 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>• RE 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 RE 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</li> </ul>

	<p>system to assess the genuine need of the customer.</p> <ul style="list-style-type: none"> <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> <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</li> </ul>

	<p>frequency of repayment. (Currently Vedika is following Monthly Repayment but subject to acceptability of Borrower)</p> <ul style="list-style-type: none"> <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> <li>• In the initial stages of over-due, RE 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> </ul>

	<ul style="list-style-type: none"> <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 Healthy Not be pregnant</li> <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" data-bbox="427 1825 1428 1966"> <thead> <tr> <th data-bbox="427 1825 694 1870">Cause of Death</th> <th data-bbox="694 1825 1428 1870">Documents Required</th> </tr> </thead> <tbody> <tr> <td data-bbox="427 1870 694 1966">In all cases of death</td> <td data-bbox="694 1870 1428 1966"> <ul style="list-style-type: none"> <li>• Death Certificate issued by the municipality or panchayat</li> </ul> </td> </tr> </tbody> </table>	Cause of Death	Documents Required	In all cases of death	<ul style="list-style-type: none"> <li>• Death Certificate issued by the municipality or panchayat</li> </ul>
Cause of Death	Documents Required				
In all cases of death	<ul style="list-style-type: none"> <li>• Death Certificate issued by the municipality or panchayat</li> </ul>				

	<ul style="list-style-type: none"> <li>• Age Proof - that was submitted at the time of applying for Loan</li> <li>• Loan related documents (Regn. CIF, appln. Pronote, mutual agreement. &amp; Loan Repayment Book)</li> <li>• In case of spouse death, evidence that the customer and spouse were married to each other (Marriage Certificate, Voter ID Card, Ration Card, Birth Certificate of child, etc.)</li> </ul>
<b>Natural Death with Hospitalisation</b>	<ul style="list-style-type: none"> <li>• Hospital Reports</li> <li>• Doctors Certificate stating cause of Death</li> </ul>
<b>Accidental Death without Hospitalisation</b>	<ul style="list-style-type: none"> <li>• FIR and post-mortem report</li> </ul>
<b>Accidental Death with Hospitalisation</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>
	<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>1. The BM and RE should mandatorily visit the customer's house and meet the immediate family.</li> <li>2. After visiting the customer's family, the BM should email to HO Admin about the incident mentioning customer name, Loan number, Center / Bazaar name, Loan amount, date of disbursement and any other relevant information</li> <li>3. BM should inform the client's family about the various types of documents which will be required for claim processing.</li> <li>4. 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 RE/HO within 30 days of the incident. If submitted to RE, RE will courier the documents to HO in 2 working days</li> <li>5. HO will confirm the receipt of all claim related documents from branches/ RE over email in 2 working days and forward them to EXIDE in 3 working days.</li> <li>6. 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>7. 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 from EXIDE.</li> <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</li> </ol> </li> </ul>

settlement of claim

**SCALE OF OPERATIONS**

Key Factors	As on March 31, 2022
<b>Client base (Number)</b>	<ul style="list-style-type: none"> <li>Vedika Credit Capital Limited extends loans to JLG.</li> <li>The JLG groups associated with VCCL have all women members.</li> <li>Number of active JLG groups as on March 31, 2022 was 52379 with 254649 active borrowers.</li> </ul>
<b>Assets under management</b>	<ul style="list-style-type: none"> <li>Loan disbursed during FY2022 was Rs. 449.42 crore</li> <li>Total outstanding loan portfolio stood at Rs. 580.55 crore as on March 31, 2022</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, 2022</li> </ul>
<b>Total income</b>	<ul style="list-style-type: none"> <li>Total income stood at Rs. 112.86 crore in FY22</li> </ul>
<b>Current year performance during 5MFY23</b>	<ul style="list-style-type: none"> <li>The company has total income of Rs.58.01 crore along with PBT of Rs.7.30 crore in 5MFY23.</li> </ul>

**SUSTAINABILITY**

**(Rs in crore)**

Financial Performance	FY20	FY21	FY22
Interest on Loans	94.70	94.70	99.65
Dividend Income	0.98	0.72	0.48
Fee Based Income	21.97	7.19	10.14
Interest on deposits with bank	5.24	3.58	2.58
Other Income	0.59	0.00	0.00
<b>Total income</b>	<b>123.48</b>	<b>106.19</b>	<b>112.86</b>
Financial cost	65.95	56.44	61.06
<b>Net interest income</b>	<b>57.53</b>	<b>49.75</b>	<b>51.80</b>
Total operating expenses (incl. depreciation)	46.07	39.56	38.84
Total Provision / Write offs	33.07	0.00	0.00
PAT	(17.16)	4.71	23.24
<b>Financial Position</b>			
Net worth	49.54	81.73	104.71
Total Debt	434.95	349.79	641.53
Loan outstanding – own	422.32	341.44	580.55
Assets under management	615.22	512.41	745.72
Total Assets	530.74	435.52	758.92
<b>Key ratios (%)</b>			
<b>Growth Ratios</b>			
Total Assets	-	(17.94)	74.26
Tangible Net Worth	-	64.98	28.12
Total Capital Employed	-	(11.64)	74.57
Total Income	-	(14.01)	6.28

<b>Financial Performance</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
PAT	-	(127.45)	393.25
<b>Solvency Ratios</b>			
Overall Gearing (times)	8.32	4.37	6.20
Interest coverage (times)–before provision & write offs	1.17	1.15	1.49
CAR %	18.89	31.63	20.05
<b>Profitability &amp; Operating Efficiency Ratios (%)</b>			
Interest income/Avg. Interest earning assets (A)	24.63	24.79	21.62
Interest / Avg. borrowed funds (B)	15.03	14.44	12.38
Interest spread (A-B)	9.60	10.35	9.24
Net Interest Margin (NIM)	9.60	10.35	9.24
ROCE	8.87	14.11	15.41
Interest / Avg. capital employed	13.18	12.28	10.37
Expenses / Avg. capital employed	15.82	8.99	3.75
Cost of capital	13.18	12.28	10.37
Net spread	(4.31)	1.83	5.04
Return on total assets (PAT / Avg. Total Assets)	(3.24)	0.98	3.89
Cost to Income ratio	90.03	89.71	88.07
Operational Self- Sufficiency	85.11	108.61	135.72
Operating expense/Total Operating Income	39.28	38.82	35.37
PAT (after deferred tax)/ Total Income	(13.90)	4.43	20.59
RONW	(33.24)	7.57	24.93
PAR > 30 days (%)	2.83	5.45	5.08
PAR > 90 days (%)	1.81	2.21	2.01

### **Earnings profile**

- VCCL witnessed an erratic movement in its total income during the past three fiscals. The operations of the company were impacted by covid-19 pandemic in FY21 which resulted in dip in its total income attributable to lower loan disbursement during the year.
- However, backed by gradual improvement in covid scenarios the company has witnessed an improvement in its operating scenario. Driven by rise in economic activities the demand for loans has also increased gradually from H1FY22 which resulted in growth in its operating income along with rise in number of borrowers and consequent rise in loan disbursements with growth in its own loan portfolio. The own loan portfolio witnessed a Y-O-Y growth of ~6% in total income (Interest income + Fee Income + Other operating Income) of the company in FY22.
- In view of possible impact of Covid on the business of the company, VCCL had made additional provisioning of Rs.23 cr during FY20, which resulted in net loss for the company in FY20.
- The profitability of the company has witnessed gradual improvement over the past three years and the company has posted a PAT margin of 20.59% (4.44% in FY21) and ROTA of 3.89% (0.98% in FY21) respectively in FY22. However, the company account for a write back of impairment of financial instrument of Rs.~16.75 crore in FY22, which resulted in increase in net profit.
- Furthermore, though Net spread has improved, NIM has declined in FY22 on account of proportionate increase in NBFC/FIs borrowing compared to low cost bank borrowing. The

improvement in ROTA was mainly backed by decline in operating expenses (Cost to Income ratio improved from ~89.71% in FY21 to ~88.07% in FY22).

- The company had a gearing at 4.37x as on March 31, 2021, which has further moderated to 6.20x as on March 31, 2022 on account of increase in borrowing from banks and FIs to increase the lending operation, which resulted in, the capital structure continued to remain leveraged impacting financial flexibility. During FY21, the Company had converted 68,15,000 Compulsorily Convertible Preference Shares of Rs 6.81 Crs into Equity Shares and also issued 237,375 of fresh equity shares at a premium of Rs 30 per share. Total fresh equity infused during FY21 was Rs.30 Cr.

#### Asset Quality (NPA Profile):

(Rs. Cr.)

Particulars	31.03.2020	31.03.2021	31.03.2022
Gross NPAs	7.62	7.54	11.68
Net NPAs	0.00	0.00	0.00
Gross NPA/ Gross Advances (%)	1.81%	2.21%	2.01%
Net NPA / Net Advances (%)	0%	0%	0%
Net NPA / Net worth (%)	0%	0%	0%

Asset quality was deteriorated with the increase in GNPA in FY21 due to fall in economic activities on spreading of pandemic leading to fall in borrower ability to repayment. The same have improved marginally in FY22. However, on the back of excess provisioning, there was no NNPA during last three financial years.

#### 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, 2022, VCCL portfolio is concentrated in the state of West Bengal accounting for ~34 percent, and ~ 66 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><u>Industry Risk Analysis</u></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</li> </ul>

	<p>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.</p> <ul style="list-style-type: none"> <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 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.</li> <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, which had earlier increased to 18.1 per cent as on September 30, 2020 after the lifting of the moratorium.</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 September 30, 2022. A detail on the loan product is provided in the <b>Annexure 3</b>. 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>	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.
<b>Vision</b>	In coming years, Vedika Credit Capital Limited plans to expand its branch network in and around the above-mentioned states.
<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: Projected Financials

(Rs. crore)

Particulars	31-Mar-23	31-Mar-24	31-Mar-25
	Projection	Projection	Projection
<b>Income</b>			
Interest income from loan	149.53	189.05	228.32
Other income	34.20	42.78	49.76
<b>Total revenue</b>	<b>183.73</b>	<b>231.82</b>	<b>278.08</b>
<b>Expenses</b>			
Admin Exp	52.68	68.48	83.92
Depreciation and amortization expenses	1.18	1.21	1.40
Other expenses	5.25	6.86	7.80
Provisions	10.00	7.50	7.8
<b>Total expenses</b>	<b>63.86</b>	<b>77.19</b>	<b>93.11</b>
Interest	<b>89.59</b>	<b>112.24</b>	<b>133.02</b>
<b>Profit before tax</b>	<b>25.03</b>	<b>35.53</b>	<b>44.15</b>
Tax	6.51	9.24	11.48
Deferred tax credit	-2.51	-1.92	-2.03
<b>Profit for the year</b>	<b>21.03</b>	<b>28.22</b>	<b>34.70</b>

### Balance Sheet

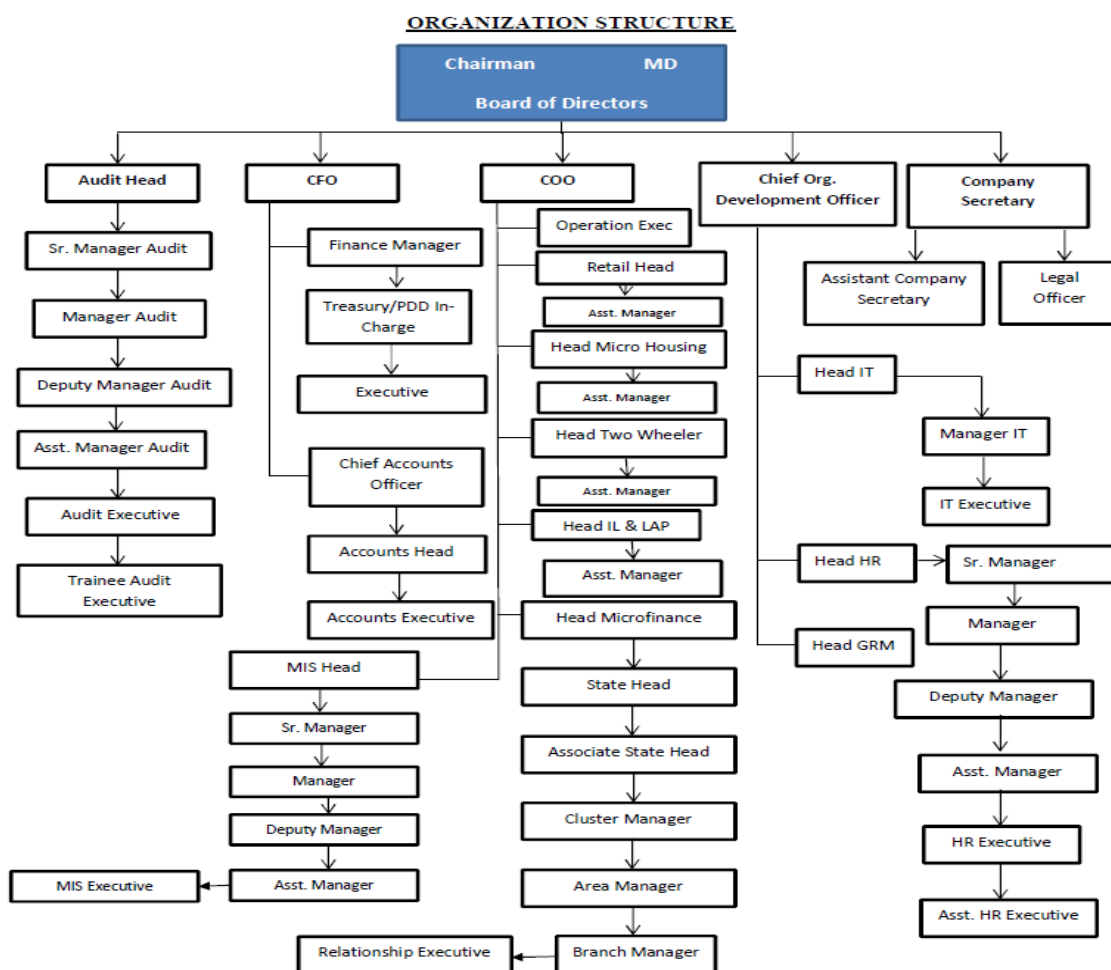
(Rs. crore)

Particulars	31-Mar-23	31-Mar-24	31-Mar-25
	Projected	Projected	Projected
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	71.46	86.46	101.96
Reserves and surplus	110.59	153.31	204.17
	<b>180.90</b>	<b>238.62</b>	<b>304.98</b>
<b>Non-current liabilities</b>			
Long-term borrowings	771.12	925.70	1087.00
Loan loss Prov	2.25	3.19	4.02
Term loan from NBFC	40.00	0.00	0.00
Other Provision	30.38	41.17	53.83
Other-Current Liabilities	9.65	10.80	11.68
	<b>853.40</b>	<b>980.86</b>	<b>1156.53</b>
	<b>1034.30</b>	<b>1219.48</b>	<b>1461.51</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed Assets	6.90	8.53	9.63
Investment	65.13	78.78	92.68

Deferred tax assets	5.32	7.25	9.27
Loans and advances	320.58	372.74	453.20
	<b>397.92</b>	<b>467.29</b>	<b>564.79</b>
<b>Current assets</b>			
Cash and bank balances	111.12	117.88	115.43
Short term loans	477.74	583.00	739.44
Other current assets	47.51	51.31	41.85
	<b>636.37</b>	<b>752.19</b>	<b>896.72</b>
	<b>1034.30</b>	<b>1219.48</b>	<b>1461.51</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

Product	Ticket size	Tenure	Returns (p.a)	Method
Joint Liability Group (JLG)	3,000-50,000	12-24 Months	25%	Reducing
Individual Loan	50,000-2,00,000	18-60 Months	26%	Reducing
Loans for Consumer Durables (cross sale)	600 - 30,000	8-12 Months	26%	Reducing

### Annexure 4: Asset profile

	March 31, 2020		March 31, 2021		March 31, 2022	
	Amount	%	Amount	%	Amount	%
Particulars						
Loan portfolio Actual	422.32		341.44		580.55	
Loan portfolio*	422.32	79.65%	313.18	71.91%	579.29	76.33%
Investments	0.00	0.00%	0.00	0.00%	0.00	0.00%
Fixed Assets	2.90	0.55%	3.59	0.82%	3.18	0.42%
Cash & Bank Balances	26.83	5.06%	50.07	11.50%	81.85	10.79%
Other current assets	78.19	14.75%	68.68	15.77%	94.60	12.47%
Total	530.24	100.00%	435.52	100.00%	758.92	100.00%

\*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

	FY20	FY21	FY22
Net worth	49.54	81.83	104.71
Term Loans banks and financial institutions	404.95	297.62	592.15
Bank borrowing (CC)	-	-	-
Unsecured Loans	30.00	30.00	30.00
NCD	0.00	20.00	20.00
Preference share capital	3.00	3.00	2.00

- 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)

Name of the State	FY20		FY21		FY22	
	Portfolio o/s	% of Total Portfolio o/s	Portfolio o/s	% of Total Portfolio o/s	Portfolio o/s	% of Total Portfolio o/s
Assam	32.21	7.63%	24.03	7.04%	30.70	5.29%
Bihar	94.45	22.36%	73.99	21.67%	109.80	18.91%
Jharkhand	55.06	13.04%	46.80	13.71%	83.65	14.41%
Odisha	19.74	4.67%	17.20	5.04%	56.34	9.70%
Tripura	33.17	7.86%	25.77	7.55%	57.01	9.82%

UP	33.52	7.94%	27.27	7.99%	57.67	9.93%
West Bengal	154.16	36.50%	126.38	37.01%	185.38	31.93%
<b>Total</b>	<b>422.32</b>	<b>100.00%</b>	<b>341.44</b>	<b>100.00%</b>	<b>580.55</b>	<b>100.00%</b>

### 6.2 Purpose wise loan outstanding (Rs crore)

Particulars	FY20		FY21		FY22	
	Rs	%	Rs	%	Rs	%
Loans for Consumer Durables (cross sale)	2.75	0.65%	2.70	0.79%	7.78	1.34%
JLG	395.26	93.59%	306.86	89.87%	444.06	76.49%
Individual	24.31	5.76%	31.89	9.34%	128.71	22.17%
<b>Total</b>	<b>422.32</b>	<b>100.00%</b>	<b>341.45</b>	<b>100.00%</b>	<b>580.55</b>	<b>100.00%</b>

### 6.3 Loan cycle wise loan outstanding

(Rs. crore)

Amount	FY20	FY21	FY22	Q1FY23
	Amount	Amount	Amount	Amount
Upto 10k	1.53	1.71	7.10	4.30
Above 10 to 20K	1.63	11.51	20.43	19.60
Above 20K to 30K	152.36	80.40	253.88	217.36
Above 30k to 50K	231.19	178.47	190.46	215.25
Above 50K	35.61	69.36	108.68	122.76
<b>Total</b>	<b>422.32</b>	<b>341.45</b>	<b>580.55</b>	<b>579.28</b>

#### 6.4 Asset Liability Maturity Profile as on 31<sup>st</sup> March 2022

(Rs. In Crore)

Outflows	Maturity Profile									
	1 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Equity Share Capital									26.46	26.46
Preference Share Capital								2.00		2.00
Reserve and Surplus									78.24	78.24
Borrowings	12.28	11.93	28.19	31.84	78.60	148.25	301.06	10.00	20.00	642.15
Other Liabilities	2.42	2.19	1.82	1.21	1.48					9.12
Provisions	0.58	0.65	1.33	2.14	3.16	5.25	3.12			16.23
<b>A. TOTAL OUTFLOWS</b>	15.28	14.77	31.34	35.19	83.24	153.50	304.18	12.00	124.70	774.20
<b>B. Cumulative Outflows</b>	15.28	30.05	61.39	96.58	179.82	333.32	637.50	649.50	774.20	
<b>Inflows</b>										
Cash & Equivalents	50.91									50.91
Deposits	1.08	2.25	2.11	2.74	4.86	17.91	61.61			92.56
Loan Portfolio	16.36	20.95	39.87	44.24	91.02	150.15	217.96			580.55
Other Assets	7.24	9.14	3.76	4.10	6.16	13.92	2.69		3.17	50.18
<b>C. TOTAL INFLOWS</b>	75.59	32.34	45.74	51.08	102.04	181.98	282.26	0.00	3.17	774.20
<b>D. Mismatch (C - A)</b>	60.31	17.58	14.40	15.89	18.80	28.48	21.92	-12.00	121.53	0.00
<b>E. Mismatch as % to outflows (D as</b>	394.62	119.05	45.93	45.14%	22.59%	18.55%	-	-	-	

% to A)	%	%	%				7.21%	100.00%	97.46%	
<b>F. Cumulative Mismatch</b>	60.31	77.89	92.28	108.17	126.97	155.45	133.53	121.53	0.00	

### 6.5 Maturity profile of portfolio

(Rs. crore)

Period	FY 2021	FY 2022
	Portfolio o/s	Portfolio o/s
On time	312.80	535.37
Up to 30dpd	10.03	15.68
30 to 60dpd	6.11	8.82
60 to 90dpd	4.96	9.00
90 to 180dpd	5.87	8.89
180+ dpd	1.67	2.79
<b>Total</b>	<b>341.44</b>	<b>580.55</b>
PAR > 30 days	<b>18.61</b>	<b>29.50</b>
<b>Overdue in percentage</b>	<b>5.45%</b>	<b>5.08%</b>

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

<b>Owned portfolio (Rs.cr)</b>						
<b>Particulars</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>Q1FY23</b>	<b>5MFY23</b>
Total loan disbursements during the year (in crore)	353.18	474.71	174.89	449.42	60.52	95.46
Total portfolio outstanding (in crore)	346.74	422.32	341.44	580.55	579.28	571.83
<b>Managed portfolio (Rs.cr)</b>						
<b>Particulars</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>Q1FY23</b>	<b>5MFY23</b>
Total loan disbursements during the year (in crore)	139.69	112.48	127.91	139.13	50.65	95.46
Total portfolio outstanding (in crore)	214.68	192.9	170.97	165.17	173.29	191.95

During FY22, own portfolio has increased with significant increase in disbursement during FY22.

However, the company is trying to reduce its dependency on BC portfolio to improve its profitability.

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

	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
	<b>Past</b>	<b>Proj.</b>	
<b>Repayment per month</b>	25.78	26.48	27.29
<b>Average Collection per month</b>	30.06	31.12	31.45

## Appendix

### Infomerics Analytics & Research MFI Grading

#### Grading Framework

Infomerics Analytics & Research MFI Grading is a one-time assessment of a Micro Finance Institution (MFI's) operational and financial capability to undertake and sustain the targeted level of operations.

IAR evaluates an MFI under a four point framework:

- i. Transparency
- ii. Operational setup,
- iii. Scale of operations and
- iv. Sustainability

The various aspects covered under each parameter are given below:

<p><b><u>I. TRANSPARENCY</u></b></p> <ul style="list-style-type: none"> <li>● Governance</li> <li>● Transparency in lending process</li> <li>● Audit quality</li> <li>● Policies</li> <li>● Internal controls</li> <li>● Transparency in the usage of funds</li> </ul> <p><b><u>II. OPERATIONAL SETUP</u></b></p> <ul style="list-style-type: none"> <li>● Promoter/owner background</li> <li>● Management assessment</li> <li>● Organizational Structure</li> <li>● Management information system</li> <li>● Underwriting/appraisal and sanctions</li> <li>● Quality of collection and monitoring</li> <li>● Risk management systems</li> <li>● Credit Discipline of borrowers</li> </ul>	<p><b><u>III. SCALE OF OPERATIONS</u></b></p> <ul style="list-style-type: none"> <li>● Geographical spread of operations</li> <li>● Outreach</li> <li>● Variety of loan Products</li> </ul> <p><b><u>IV. SUSTAINABILITY</u></b></p> <p><b><i>a) Financial Sustainability</i></b></p> <ul style="list-style-type: none"> <li>● Resource Profile</li> <li>● Cost Structure</li> <li>● Interest rate policies</li> <li>● Capital Adequacy</li> <li>● Asset quality</li> <li>● Earnings</li> <li>● Liquidity and Asset Liability Management</li> </ul> <p><b><i>b) Operational Sustainability</i></b></p> <ul style="list-style-type: none"> <li>● Succession planning</li> <li>● Competition</li> <li>● Resource arrangements</li> <li>● Vision</li> <li>● Efforts to increase outreach and coverage</li> </ul>
--	--

**Disclaimer:** Infomerics Analytics & Research Pvt Ltd are based on information provided by the issuer on an 'as is where is' basis. Infomerics are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit grading at any point in time. Infomerics Grading are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality Grading are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are graded by us have paid a credit grading fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the grading assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The grading may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.