

2022-23

# ANNUAL REPORT

**UP MONEY LIMITED**

## **ABOUT UP MONEY:**

Up Money Ltd is one of the largest NBFC in Northern Region dealing in automobile financing in seven States viz. Punjab, Chandigarh, Haryana, Himachal Pradesh and Rajasthan, Uttar Pradesh, Uttarakhand through its Collection Centers. The company has an entrenched presence in the market through more than 75 branches, covering more than 10000 villages.

The Company was incorporated as a public limited company under the name and style of M/s Sukhjit Finance Limited as a company limited by shares, on 6<sup>th</sup> February 1995, under the provisions of the Companies Act, 1956. Up Money started operations in November 2014 post acquisition of M/s Sukhjit Finance Limited and later on the management of the company changed and the name of the Company was changed to M/s Up Money Limited w.e.f 2<sup>nd</sup> day of March, 2015. The Company has obtained a registration to carry on the Business of a Non-Deposit Taking Non-Banking Financial institution from the Reserve Bank of India, registration number being B-06.00216.

The Company's primary services constitute financing of loans for two wheelers, home improvement loans, loans against property, loans for rural livelihood advancement, Small Passenger Commercial Vehicle and MSME loans of smaller ticket size only for generating economic activity, working capital and growth etc. With this Up Money has brought a positive impact in the lives of many individuals and families and has helped them to earn their livelihood, grow their business and drastically improve their lifestyle.

The Company is having its Head Office at 13 & 23, Nehru Sidhant Kendra, Feroze Gandhi Market, Ludhiana, Punjab. The Company has achieved several milestones in a short span of time. The Company is fully dedicated towards fulfilling its Vision and Mission. The Company is managed by qualified and experienced staff and currently has base of more than 1310 employees. The Company adheres to structured policies and procedures for its day-to-day operations. The Company has customized its operational processes in line with the products and has placed necessary infrastructure for efficient marketability and at the same time put in place internal mechanism for mitigating unforeseen risks. The company's aim is to have quality asset portfolio and intensive checks and controls have been put in place to achieve the said objectives. The Company is also member of CIBIL, Equifax, CRIF High Mark Credit Information Services Private Limited and Experian Credit Information Company of India Private Limited. The Company adheres to all the compliances of RBI and other laws.

## **BOARD'S REPORT**

To,  
Dear Shareholders

Your directors present their Report together with the audited financial statements of your Company for the year ended 31<sup>st</sup> March, 2023.

### **FINANCIAL PERFORMANCE**

Your Company has recorded growth in its profits and geographical spread laying the foundation for us to pursue our aspiration of making "Up Money" a nationwide admired brand. The highlights of the financial performance of the Company for the Financial Year ended on March 31, 2023 together with comparative position of the previous financial year, are as under:

(Figures in Rs. Lakhs)			
S.No.	Particulars	Current Year Ended March 31, 2023	Previous Year ended March 31, 2022
1.	Stock on Hypothecation	35359.12	24427.54
2.	Gross Income	10790.33	8042.48
3.	Expenditure (excluding depreciation)	9256.55	6982.51
4.	Depreciation	63.18	78.71
5.	Profit before taxes	1470.60	983.15
6.	Net profit after tax	1093.67	778.78
7.	Share Capital	4658.94	4658.94
8.	Net Owned Funds	9445.73	8368.58

### **FINANCIAL HIGHLIGHTS**

The Company continued to prudently manage its asset liability management (ALM) with a strategy of raising long-term borrowings and maintaining a judicious mix of borrowings between banks and money markets. Up Money Ltd.'s performance and the highlights of the results for the year ended 31<sup>st</sup> March, 2023 are given below:



**a) Gross Income**

During the year 2022-23, Gross Income of your Company for the FY 2022-2023 is Rs. 10790.33 Lakhs recording an increase of 34.17% as compared to the previous year's Gross Income of Rs. 8042.48 Lakhs.

**b) Profit before Tax (PBT)**

In 2022-2023, the Company has earned PBT of Rs. 1470.60 Lakhs representing the increase of 49.86% in comparison to last year PBT of Rs. 981.26 Lakhs.

**c) Profit After Tax (PAT)**

Profit after Tax (PAT) is Rs. 1093.67 lakhs at the end of the financial year 2022-23 recording the increase of 40.43% over the previous year's PAT of Rs. 778.78 Lakhs.

**d) Net Owned Funds**

Net Owned Funds of the Company are Rs. 9445.73 Lakhs as at March 31, 2023 as compared to Rs. 8368.58 as at March 31, 2022.

**e) Borrowings**

During the year, the borrowings of the company has been increased to Rs. 38713.41 Lakhs for the year ended 31<sup>st</sup> March, 2023 as compared to Rs. 24042.50 Lakhs borrowings as at 31<sup>st</sup> March, 2022.

**f) Provisions for Loans and Advances**

Provision for Standard Loans and Advances of the Company is Rs. 86,50,000 and Provision for Sub-standard and Doubtful Loans and Advances is Rs. 94,00,000 as on 31 March, 2023 as against Provision for Standard Loans and Advances was Rs. 61,00,000 and Provision for Sub-standard and Doubtful Loans and Advances was Rs. 39,00,000 as on March 31, 2022.

**OPERATIONAL HIGHLIGHTS**

A strong presence has enabled the Company to build a diversified portfolio of secured and unsecured loans, supporting customer's consumption and income generation requirements. The operational highlights for the financial year ended on March 31, 2023 are as under:

**a) Disbursement**

During the financial year under review, the Company made disbursements of Loans and Advances of Rs. 46373.05.

**b) Geographical Expansion**

The Company operates through strong branch network into the states of Rajasthan, Himachal Pradesh, Punjab, Haryana, Uttarakhand, Uttar Pradesh and Chandigarh. As on 31 March, 2023, Up Money operates in 7 states through a network of 75 Branches and 10000+ villages which serve over 152971 customers

**FUND DEPLOYMENT**

During the year ended on March 31, 2023, your Company have raised funds from various sources. The Company has also been granted debt facilities by various Banks and financial Institutions in the form of Working Capital Term loans. The Company also sourced funds through securitization and Direct Assignments.

**SAFETY MEASURES FOR EMPLOYEES**

Employee safety is the need of the hour. The organizations keeping in view the safety of employees, are implementing measures like temperature screening, disinfection of office premises, setting up COVID-19 response teams, distribution of COVID-19 precautionary packages etc.

**SHARE CAPITAL**

The Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2023 is Rs. 46,58,94,000/- (Rupees Forty-Six Crores Fifty-Eight Lakhs Ninety-Four Thousand Only) divided into 4,65,89,400 (Four Crore Sixty-Five Lakhs Eighty-Nine Thousand Four Hundred) Equity Shares of Rs. 10/- each.

**INFUSION OF SHARE CAPITAL**

During the Financial Year 2022-23, the Company has not allotted any shares.

**DEBENTURES**

During the Financial Year 2022-23, the Company allotted 200000 Secured Non- Convertible Debentures of Rs. 1000 each on private basis during the financial year under review.

**CODE OF CONDUCT & ETHICS**

The Company adopted the code of conduct approved by the Board of Directors which is binding on the employees of the Company and the same has been complied with.



#### **RESERVE BANK OF INDIA: REGULATORY UPDATE**

Your Company being registered as an NBFC (Non-Banking Financial Company) has complied with all the relevant guidelines and directions issued by the Reserve Bank of India from time to time and other applicable laws.

The Company has filed all the requisite information and forms with Registrar of Companies (ROC) Punjab & Chandigarh as required under Companies Act, 2013 during the financial year 2022-23. The Company is registered as a Reporting Entity under Financial Intelligence Unit (FIU), Ministry of Finance. The Company is also registered in the Central Registry of Securitization, Asset Reconstruction and Security Interest of India (CERSAI). CERSAI is a risk mitigation tool for the Banks / Housing Finance Companies, Financial Institutions and public at large to prevent multiple financing against the same property.

The Company continues to fulfill all the norms and standards laid down by the RBI pertaining to non-performing assets, capital adequacy, statutory liquidity assets, etc.

#### **DEPOSITS**

The Company being registered as a 'Non-Deposit taking NBFC' under the regulations of the RBI do not accept any public deposits under Chapter V of the Companies Act, 2013. The Board has also passed a resolution for non-acceptance of deposits during the financial year 2022-23 and has made proper periodical compliances in this regard by informing the Reserve Bank of India on time.

#### **CREDIT RATING**

During the financial year 2022-23, the ACUTE Ratings has assigned "ACUTE BBB- STABLE" credit rating for the bank loan facilities to your Company which indicates the ratings factor in an improvement in collections in the recent months and fresh sanctions received by the company in the recent past.

#### **FAIR PRACTICES CODE**

The Company has duly complied with the provisions of RBI relating to the maintenance and review of the Fair Practice Code. The Company is committed towards dealing with its customers in a transparent manner and in executing the fair deals. Thus, the Company has adopted the Board approved Fair Practices Code, which provides operating guidelines for effective dissemination and implementation of responsible business practices and Grievance Redressal System. The Board of Directors has been reviewing the Fair Practice Code every year with the amendments if any prescribed by the Reserve Bank of India from time to time.

The Company's Fair Practice Code can be accessed at the link <https://www.upmoney.in/overview.html#FPC>

The Fair Practice Code of the Company has been displayed at all the branch offices, in English as well as in vernacular language.

#### **INTERNAL FINANCIAL CONTROLS**

The internal financial controls of the Company commensurate with its size, scale and complexity of operations. The Company has robust policies and procedures which, inter alia, ensure integrity in conducting business, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors. The internal financial controls with reference to the financial statements were tested and reported adequate and operating effectively. The Company has an Internal Audit department, which independently carry out evaluation of the adequacy of all internal controls.

A statement of adequacy of Internal Controls with reference to financial statements is attached with Auditor's report.

#### **AMOUNTS PROPOSED TO BE CARRIED TO RESERVES, IF ANY**

Pursuant to the RBI Directions, non-banking financial companies (NBFCs) are required to transfer a sum not less than 20 per cent of its net profit every year to statutory reserve fund before declaration of any dividend. Accordingly, the Company has transferred a sum of Rs. 220.90 Lakhs to the statutory reserve fund.

#### **AMOUNT RECOMMENDED TO BE PAID AS DIVIDEND**

In spite of the Company having reported distributable surplus, no dividend was declared for the financial year 2022-23 due to conservation of profits and continued investment in the business enhancement.

#### **WEB LINK OF ANNUAL RETURN WHERE ANNUAL RETURN UNDER SECTION 92(3) HAS BEEN PLACED**

The Annual Return as at March 31, 2023 as provided under Section 92 (3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 would be placed on the Company's website at [www.upmoney.in](http://www.upmoney.in).

#### **LOANS, GUARANTEES & INVESTMENTS UNDER SECTION 186**

The Company, being a non-banking finance company registered with the RBI and engaged in the business of giving loans, is exempt from complying with the provisions of section 186 of the Companies Act, 2013 in respect of loans and guarantees. Accordingly, the disclosures of the loans given as required under the aforesaid section have not been made in this Report.

#### **CORPORATE SOCIAL RESPONSIBILITY**

Your Company has constituted the Corporate Social Responsibility ('CSR') Committee of the Board of Directors, in accordance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, as amended. The Role of the Committee is to formulate and recommend a CSR policy to the Board, to



recommend amount of expenditure to be incurred on CSR activities, to monitor the CSR policy of the Company from time to time and to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

#### **Details of CSR Policy and its implementation**

The Company's Corporate Social Responsibility ("CSR") activities are guided and monitored by its CSR Committee. The CSR Policy of the Company provides a broad set of guidelines including intervention areas.

The Company believes that CSR is a way of creating shared value and contributing to social and environmental good. Company's strategy has been to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations. These projects are in accordance with Schedule VII of the Companies Act, 2013.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are mentioned in the format prescribed in the Companies (CSR Policy) Amendment Rules, 2021 are set out in the Annual Report which forms part of the Board Report as **Annexure I**.

#### **AUDITORS**

##### **STATUTORY AUDITORS**

M/s Goyal Sanjay & Associates, Chartered Accountants, Statutory Auditors of the company have audited the accounts of the Company for the financial year 2022-23 as per the accounting standards followed in India.

M/s Goyal Sanjay & Associates had been re-appointed as Statutory Auditors to hold office for a term of 3 years from 26<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> November, 2021 till the conclusion of the Annual General Meeting in financial year 2024-25.

##### **SECRETARIAL AUDIT**

The provisions of section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are applicable on the Company, so, the Company has no requirement to obtain a Secretarial Audit Report from any Practicing Company Secretary (PCS) for the financial year ended March 31, 2023.

##### **COMMENTS BY THE BOARD ON QUALIFICATION, RESERVATION OR ADVERSE REMARKS OR DISCLAIMER MADE BY AUDITORS IN AUDIT REPORT**



There is no qualification, reservations or adverse remarks given by the Auditors which need comments by the Board. The notes to accounts referred to in Auditors' Report has been discussed by the Board and are self-explanatory and therefore, in the opinion of the Directors, do not call for any further comments.

**DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION 12 OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which need to be mentioned in this Report.

**BOARD OF DIRECTORS**

Keeping with the commitment to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance and management. The Company has a professional, Experienced and qualified Board supported by Professionalised Management. The composition of the Board of your Company is in conformity with the provisions of the Companies Act, 2013 ("the Act"), as amended from time to time and the Articles of Association.

The Board of Directors possess requisite qualifications, experience, expertise, professionalism and diversity in general corporate management, banking, finance, economics, marketing, analytics and other allied fields which enable them to contribute effectively to the Company.

Detailed profile of the Directors is available on the Company's website at the web-link: <https://www.upmoney.in/overview.html#board>

Category	Name of Directors	Brief Profile
Promoter Director	AJIT SINGH CHAWLA (MANAGING DIRECTOR)	Mr. Ajit Singh Chawla is a retired insurance professional service of around 22 Years with National Insurance Company Ltd. He has been running successful finance business. He is engaged in business affairs of the company and time to time introduced innovative ideas in the business which helped it to grow manifold. He has a dynamic personality with wealth of experience across finance, accounting, auditing and taxation etc. and also devotes a lot of time to social work also.

Promoter Director	SUMEL SINGH CHAWLA (WHOLE TIME DIRECTOR CUM CFO)	Mr. Sumel Singh Chawla is an experienced finance professional who has held leadership positions in multinational banks i.e. HSBC, Barclays Capital and Royal Bank of Scotland in the UK and management consultancy firms like Ernst and Young and Accenture. He is having vast knowledge and experience of over 15 years in financial and other sectors. He is engaged whole time in the business activities of the company and with his experiences and hands on new age leadership style has helped the company to grow leaps and bounds with streamlined processes and system and a strong professional team. He has a constant eye on improvisation by benchmarking against the best in the industry.
Promoter Director	PARVEEN KAUR CHAWLA (WHOLE TIME DIRECTOR)	Mrs. Parveen Kaur Chawla retired as Principal of Master Tara Singh Memorial College for Women, Ludhiana with an experience of 31 Years in academic services. She plays a key role in designing & updating HR and business Strategies from time to time.
Independent Director	KIRANDEEP KAUR (INDEPENDENT DIRECTOR)	Mrs. Kirandeep Kaur is an Independent Director of our company who has 20 years of vast experience of teaching. Presently she is Principal at Master Tara Singh Memorial College for women, Ludhiana. Her skills are admirable and she believes in promoting as well creating positivity and productivity within the organization based on strong values and company's Philosophy.
Independent Director	KHUSHVINDER BIR SINGH (INDEPENDENT DIRECTOR)	Mr. Khushvinder Bir Singh is an Independent Director of our company who has more than 33 years of experience in the Banking sector. He had worked in various capacities with PNB and retired as DGM, Chandigarh Zone. He also headed two Rural Regional Banks of PNB i.e. Madhya Bihar Gramin Bank, Patna and Punjab Gramin Bank, Kapurthala for 5 years with special focus on Risk including Credit and Compliance. He was appointed supervisor for these RRBs from the angle of monitoring statutory requirements of RBI, NABARD and DFS. He is responsible for Risk Policy and Processes including monitoring, Internal Audit and Compliance both regulatory and statutory and will also keep recommending the Board to adopt good governance which are valuable for the company
Non-Executive Director	PRIYANKA CHAWLA (NON-EXECUTIVE DIRECTOR)	Mrs. Priyanka Chawla is an internationally experienced strategy, finance and marketing professional who has held leadership positions in the telecom and banking sectors and is complemented with sound technical knowledge after obtaining qualifications from premier institutes. She has an experience of over 9 years in the UK & India in more than 5 different Fortune 100



MNCs in the field of Strategy, Proposition, Finance and Marketing, etc.

**I. Appointment/Re-appointment of Directors**

During the year ended on March 31, 2023, no director was appointed/re-appointed in the Company.

**II. Cessation of Directors**

During the year ended on March 31, 2023, no director was ceased to hold the office as the Director of the Company.

**III. Key Managerial Personnel**

Pursuant to the provisions of section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following were the KMPs of the Company as on March 31, 2023:

DIN/PAN	Name	Designation
01017963	Ajit Singh Chawla	Managing Director
06948636	Sumel Singh Chawla	Whole Time Director and Chief Financial Officer (CFO)
BHNPB0437K	Kanika Ahuja	Company Secretary

**IV. Declaration by Independent Directors**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013. The Board is of the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfil their duties as Independent Directors.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained with The Indian Institute of Corporate Affairs, Manesar ('IICA').

**V. Independent Directors' Meeting**

In compliance with Schedule IV to the Companies Act, 2013, the independent directors held their meeting on March 28, 2023. The Meeting was conducted in an informal manner without the presence of the Whole time Directors, the Non-Executive Non-Independent Directors, or any other Management Personnel., inter alia, to discuss the following:

- a. reviews the performance of non-independent directors and the Board as a whole;

- b. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- c. assesses the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties;

**VI. Formal Evaluation of the performance of the Board, Committees of the Board and Individual Directors**

Pursuant to the provisions of Section 134(3)(p) the Companies Act, 2013 the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. Your Company is following the most effective way to ensure that Board Members understand their duties and adopt good governance practices. Your Company has defined a manner of evaluation as per the provisions of the Act. The Board members evaluate the performances of the Independent Directors and the Board Governance, Nomination and Remuneration Committee evaluates performance of the Non- Independent Directors, the Board as a whole and the Board level committees on the basis of the questionnaires submitted by all the Directors. A separate meeting of Independent Directors without the attendance of Non-Independent Directors and the management team was held during the fiscal as per the provisions of Schedule IV of the Companies Act, 2013.

**VII. Criteria adopted for evaluation:**

The Board shall evaluate the roles, functions, duties of Independent Directors (ID's) of the Company. Each ID shall be evaluated by all other directors' not by the Director being evaluated. The board shall also review the manner in which ID's follow guidelines of professional conduct:

- (i) Performance review of all the Non-Independent Directors of the company on the basis of the activities undertaken by them, expectation of board and level of participation;
- (ii) Performance review of the Chairman of the company in terms of level of competence of chairman in steering the company;
- (iii) The review and assessment of the flow of information by the company to the board and manner in which the deliberations take place, the manner of placing the agenda and the contents therein;
- (iv) The review of the performance of the directors individually, its own performance as well as evaluation of working of its committees shall be carried out by the board;
- (v) On the basis of performance evaluation, it shall be determined by the Nomination and Remuneration Committee and the Board whether to extend or continue the term of appointment of ID subject to all other applicable compliances.



**VIII. Disclosure in respect of any MD/WTd receiving commission from a company and also receiving commission or remuneration from its holding or subsidiary company**

Since the Company has no holding or subsidiary company, thus, no particulars are required to be given pursuant to the provisions of Section 197(14) of the Companies Act, 2013.

**IX. Disqualification of Directors**

On the basis of the written consent received from all the directors appointed in the Company, none of the director is disqualified under the provisions as mentioned in Section 164(2) of the Companies Act, 2013 to be appointed as director.

**X. Pecuniary Relationship**

There is no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company, apart from the sitting fees and commission, if any, received by them for attending the Meetings of the Board and Committee(s) thereof.

**DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 134 (3) (C) AND SECTION 134 (5)(A) TO (F)**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company confirms and state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed and that there are no material departures in adoption of these standards;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**MEETINGS OF THE BOARD AND BOARD COMMITTEES**

The Board of Directors is an apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic directions, management policies and the effectiveness, and ensures that shareholders'

long- term interests are being served. The Company's internal guidelines for Board / Committee meetings facilitate decision making process at its meetings in an informed and efficient manner.

The Company has various Committees which have been constituted as a part of good corporate governance practices and the same are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

**NUMBER OF BOARD MEETINGS WITH DATES AND NUMBER OF MEETINGS ATTENDED BY EACH DIRECTOR UNDER SECTION 134(3) (B);**

However, the details of Board Meeting held during the financial year are as follows:

Sr. No.	Particulars	Board Meetings
1.	Number of Meetings	7
2.	Dates of Meeting	07.04.2022 05.05.2022 25.06.2022 23.09.2022 02.12.2022 20.12.2022 15.02.2023

**NO. OF MEETINGS ATTENDED BY DIRECTORS**

The Board met at least once in a calendar quarter and the maximum time gap between any two meetings was not more than one hundred and twenty days as required under section 173 of the Companies Act, 2013. The names of members of the Board with their attendance at the Board Meetings are as under:

Sr. No.	Name of Directors	Board Meeting Attended
1.	Mr. Ajit Singh Chawla	7
2.	Mr. Sumel Singh Chawla	7
3.	Mrs. Parveen Kaur Chawla	7
4.	Mrs. Kirandeep Kaur	7
5.	Mrs. Priyanka Chawla	7
6.	Mr. Khushvinder Bir Singh	7

**COMMITTEES OF THE BOARD OF DIRECTORS**

The Company has various Committees which have been constituted as a part of good corporate governance practices and the same are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company currently has (5) five Statutory Board Committees which are as follows:

i) Audit Committee



- ii) Nomination and Remuneration Committee
- iii) Corporate Social Responsibility Committee
- iv) Risk Management Committee
- v) Asset Liability Committee

#### **i) AUDIT COMMITTEE**

Pursuant to the provisions of the Companies Act, 2013, your Company has a duly constituted Audit Committee and its composition are in conformity with the requirements of the Act, with two-third of the members being Non-Executive and Independent Directors. The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Act and NBFC Regulations.

#### **Composition**

S.No.	Name	Designation
1.	Mr. Sumel Singh Chawla	Chairman
2.	Mr. Khushvinder Bir Singh	Member
3.	Mrs. Kirandeep Kaur	Member
4.	Mr. Kanad (Audit & Risk Head)	Permanent Invitee

#### **Terms of Reference**

The terms of reference of the Committee are in accordance with the Act and NBFC Regulations. These broadly include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions with related parties.

#### **Dates & Attendance of Audit Committee Meeting**

The recommendations of the Audit Committee were duly approved and accepted by the Board during the year under review. Details of Audit Committee Meetings are as follows:

S No.	Date of Meeting	Whether the Director attended the meeting		
		Sumel Singh Chawla	Khushvinder Bir Singh	Kirandeep Kaur
1.	25.06.2022	1	1	1
2.	23.09.2022	1	1	1
3.	02.12.2022	1	1	1
4.	15.02.2023	1	1	1

#### **ii) NOMINATION AND REMUNERATION COMMITTEE**

Pursuant to the provisions of the section 178 of the Companies Act, 2013, your Company has a duly constituted Nomination and Remuneration Committee and its composition are in conformity with the requirements of the Act, with two-third of the members being Non-Executive and Independent Directors.

### **Composition**

S.No.	Name	Designation
1.	Mr. Sumel Singh Chawla	Chairman
2.	Mr. Khushvinder Bir Singh	Member
3.	Mrs. Kirandeep Kaur	Member

### **Terms of Reference**

The terms of reference of the Committee, inter alia, includes formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and Senior Management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of remuneration policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the Board, devising a policy on Board diversity, etc.

### **Dates & Attendance of Nomination & Remuneration Committee Meeting**

S No.	Date of Meeting	Whether the Director attended the meeting		
		Sumel Singh Chawla	Khushvinder Bir Singh	Kirandeep Kaur
1.	25.06.2022	1	1	1
2	23.09.2022	1	1	1

### **iii) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Pursuant to the provisions of the section 135 of the Companies Act, 2013 and the rules made thereunder, the Company has a duly constituted Corporate Social Responsibility. The Committee has formulated the CSR Policy of the Company indicating CSR activities proposed to be undertaken by the Company pursuant to the provisions of Schedule VII of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014.

### **Composition**

S.No.	Name	Designation
1.	Mr. Ajit Singh Chawla	Chairman
2.	Mr. Sumel Singh Chawla	Member
3.	Mrs. Kirandeep Kaur	Member

### **Terms of Reference**

The Terms of Reference of the Corporate Social Responsibility Committee as approved by the Board of Directors includes the following:

- a) Formulation of CSR Policy as specified in Schedule VII of the Companies Act, 2013 indicating the activities, projects to be undertaken, timelines and expenditure thereon;



- b) Recommendation of CSR Policy to the Board;
- c) Recommendation of expenditure to be incurred on the activities referred above; and
- d) Monitoring & oversight the implementation of the Policy.

#### **Dates & Attendance of Corporate Social Responsibility Committee Meeting**

S No.	Date of Meeting	Whether the Director attended the meeting		
		Ajit Singh Chawla	Sumel Singh Chawla	Kirandeep Kaur
1.	14.02.2023	1	1	1

#### **iv) RISK MANAGEMENT COMMITTEE -**

Pursuant to the guidelines issued by Reserve Bank of India, notified vide its circular dated May 8, 2007, every NBFC whose assets base is greater than INR 100 Crore, your Company has a duly constituted Risk Management Committee.

#### **Terms of Reference**

The terms of reference of the Committee, inter alia, include, to manage the integrated risk, to lay down procedures to inform the Board about risk assessment and minimization procedures in the Company and to frame, implement, monitor the risk management plan for the Company including cyber security.

The Company has a Risk Management framework duly approved by its Board. The Committee and the Board periodically review the Company's risk assessment and minimization procedures to ensure that the Management identifies and controls risk through a properly defined framework.

#### **Composition**

S.No.	Name	Designation
1.	Mr. Sumel Singh Chawla	Chairman
2.	Mr. Ajit Singh Chawla	Member
3.	Mr Khushvinder Bir Singh	Member
4.	Mr. Gaganpreet Singh	Member
5.	Mr. Kanad	Permanent Invitee

#### **Dates & Attendance of Risk Management Committee Meeting**

S No.	Date of Meeting	Whether the Director attended the meeting			
		Sumel Singh Chawla	Ajit Singh Chawla	Khushvinder Bir Singh	Gaganpreet Singh
1.	02.12.2022	1	1	1	1

#### **v) ASSET LIABILITY COMMITTEE -**

Pursuant to the guidelines issued by Reserve Bank of India, notified vide its circular dated September 1, 2016, NBFC shall duly constitute Asset Liability Committee.

#### **Terms of Reference**

The terms of reference of the Committee, inter alia, include, to identify balance sheet management issues that are leading to under-performance and ensure corrective action, to review reports on liquidity, market risk and capital management. Also ensuring appropriate mix of different forms of debt i.e. Bank Loans, Commercial Paper, Non-Convertible Debentures, etc.

The Company has an ALCO framework duly approved by its Board. The Committee and the Board periodically review the Company's daily management of liquidity risk and interest rate risk to ALM.

#### **Composition**

S.No.	Name	Designation
1.	Mr. Sumel Singh Chawla	Chairman
2.	Mr. Ajit Singh Chawla	Member
3.	Mr. Gaganpreet Singh	Member

#### **Dates & Attendance of ALCO Meeting**

S No.	Date of Meeting	Whether the Members attended the meeting		
		Sumel Singh Chawla	Ajit Singh Chawla	Gaganpreet Singh
1.	25.06.2022	1	1	1
2.	23.09.2022	1	1	1
3.	02.12.2022	1	1	1
4.	15.02.2023	1	1	1

#### **RELATED PARTY TRANSACTION UNDER SECTION 188 READ WITH RULE 8(2) OF COMPANY (ACCOUNT) RULES, 2014**

All contracts/ arrangements/ transactions entered into/ by the Company during the financial year under review with related parties were on arms' length basis and in the ordinary course of business of the Company and does not have any material impact over the affairs of the Company and hence did not require members' prior approval under the Companies Act, 2013. There were no materially significant related party transactions with the Company's promoters, directors, key managerial personnel or relatives of directors



during the financial year ended on March 31, 2023 which could lead to a potential conflict of interest between the Company and these parties.

#### **ESTABLISHMENT OF VIGIL MECHANISM**

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has a detailed policy in place in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 in order to redress complaints received regarding sexual harassment and the Company has complied with its provisions. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

During the year under review, no cases had been reported under the provisions and guidelines of this policy.

#### **VOLUNTARY REVISION**

The Company has not revised its financial statements during the financial year 2022-23.

#### **DISCLOSURES IN RESPECT OF VOTING RIGHTS NOT EXERCISED DIRECTLY BY THE EMPLOYEES**

During the financial year 2022-23, none of the employees have exercised the voting rights in shares as specified under Section 67(3) read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014. There are no such disclosures in respect of voting rights not exercised directly by the employees.

#### **INVESTOR EDUCATION AND PROTECTION FUND**

There was no amount lying in the accounts of Company to be transferred to Investor Education and Protection Fund.

#### **NAME OF THE COMPANIES WHICH HAS BECOME/ CEASED TO BE SUBSIDIARIES/ASSOCIATES OR JOINT VENTURES DURING THE YEAR**

During the financial year 2022-23, no company has become/ceased to be subsidiary/associate or joint venture of the company.

**SEPARATE SECTION CONTAINING A REPORT ON PERFORMANCE AND FINANCIAL POSITION OF EACH OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Company doesn't have any subsidiary, associate and joint venture. Therefore, no report in respect of the same is required to be given.

**DEVELOPMENT & IMPLEMENTATION OF RISK MANAGEMENT POLICY**

Your Company has a well-defined risk management framework in place. The Company is exposed to Liquidity, monetary, market, currency, interest rate risks along with operational and systematic risks which form an integral part of the working of the organization. Accordingly, company needs to thrive with all the risks to survive in the market and to cater the services to various sections of the society. The risk management framework works at various levels across the enterprise. These levels form the strategic defense cover of the Company's risk management. The Company has a robust organizational structure for managing and reporting on risks.

Your Company has developed and implemented a Risk Management Policy which is approved by the Board. The Risk Management Policy, inter alia, includes identification of risks, including cyber security and related risks and also those which in the opinion of the Board may threaten the existence of the Company.

**MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY, OCCURRING BETWEEN DATE OF FINANCIAL STATEMENTS AND THE BOARD'S REPORT**

There were no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company and the date of this Report.

**DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS, TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During FY2022-23, no significant and material orders were passed by any regulator or court or tribunal impacting the going concern status and Company's operations in future.

**NAME OF THE COMPANIES WHICH HAS BECOME/ CEASED TO BE SUBSIDIARIES /ASSOCIATES OR JOINT VENTURES DURING THE YEAR**

During the financial year 2022-23, no Company became or ceased to be the subsidiary/ Associate or joint venture of / Associate or joint venture of Up Housing Development Private Limited.

**CHANGE IN THE NATURE OF BUSINESS**



There has been no major change in the nature of business and the Company is working towards increasing the competence and yield of operations.

**ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS, SWEAT EQUITY, ESOP ETC.**

The Company does not have any employee stock option/ purchase scheme and had not issued the same.

**THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

No such application has been made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

**THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

The Company has not entered into one-time settlement with any bank or financial institution; thus, the disclosure is not required to be given by the Company.

**DISCLOSURE IN RESPECT OF COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards SS-1 and SS-2 issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. The Company has also been endeavoring to comply the recommendary provisions of other secretarial standards issued by ICSI.

**DISCLOSURE AS TO WHETHER MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SECTION 148(1) OF THE COMPANIES ACT, 2013 IS REQUIRED BY THE COMPANY**

The company is a Non-Banking Finance Company registered with Reserve Bank of India engaged in the business of asset financing. The requirement to maintain cost record as specified by the Central Government under Section 148(1) of the Companies Act, 2013 does not apply to your Company.

## **CONSOLIDATED FINANCIAL STATEMENTS**

Pursuant to section 129(3) of the companies act, 2013 and accounting standard-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements are not required to be prepared.

## **CUSTOMER GRIEVANCE REDRESSAL**

Up Money Limited has adopted a well-structured customer grievance redressal mechanism and provides customers a reliable and easily accessible interface for timely and fair resolution of enquiries & complaints. The policy aims to minimize the instances of customer complaints through proper service delivery and review mechanism.

- **Grievance Redressal Officer** - We have appointed Grievance Redressal Officer (GRO) at Head Office. GRO monitors customer grievances at all the levels and is responsible for ensuring timely resolution of all complaints through CCRs and Help Desks. A report on status of customer grievances is periodically reviewed at various levels of Management for decision making and minimizing complaints.

Our efforts at customer education during the years have paid off with an increasing number of customers approaching our grievance redressal channels for their queries.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO, IN MANNER PRESCRIBED**

### **A. Conservation of Energy**

The operations of the Company are not energy intensive being engaged in the financing business within the country. However, the Company has taken various measures for conservation of energy, these include:

- ✓ Switching from conventional lighting systems to LED lights at most of the branches.
- ✓ Using energy efficient computers and electrical equipment.
- ✓ Use of cloud based virtual servers to increase energy efficiency and data security.

### **B. Technology Absorption**

- I. The efforts made towards technology absorption: Not Applicable.
- II. The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable.
- III. In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): Not Applicable.
- IV. During the year, the Company has not incurred any expenditure on Research & Development.



### **C. Foreign Exchange Earnings and Outgo**

There was no foreign exchange inflow or Outflow during the year under review.

### **CORPORATE GOVERNANCE**

Your Company has a rich legacy of ethical governance practices many of which were implemented by the Company, even before they were mandated by law. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. We strive to conduct the business operations in an ethical and responsible manner, within the prevalent regulatory framework, for sustainable value creation for all our stakeholders. The Company being an NBFC-ND, adopts the best practices in the area of Corporate Governance and follows guidelines issued by RBI from time to time.

### **ACKNOWLEDGEMENT**

The Board of Directors would like to express its gratitude and its appreciation for the support and co-operation from its members, RBI and other regulators, banks, financial institutions, trustees for debenture holders and FD holders.

The Board of Directors also places on record its sincere appreciation for the commitment and hardwork put in by the Management and the employees of the Company and thanks them for yet another excellent year.

Place: Ludhiana

Date: May 31, 2023



**Sumel Singh Chawla**  
Whole Time Director  
DIN: 06948636

For and on behalf of  
UP MONEY LIMITED



**Ajit Singh Chawla**  
Managing Director  
DIN: 01017963